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WEST EUROPE REPORT

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GAS FIRM DEFINES STRATEGY TO INCREASE DOMESTIC NATURAL GAS USE

Paris L'USINE NOUVELLE in French 17 Jun 82 pp 71-73

[Article by Annick Loreal: "Natural Gas: What Place in Industry?"]

[Text] By 1990, natural gas should occupy a larger place in the pattern of French energy usage. This is what is being predicted by government officials, based on the strategy to diversify energy supplies. And starting now, GDF [French Gas Company], which has been ordered to do its utmost to increase its resources, estimates that within 8 years, its supplies will reach nearly 37.5 billion cubic meters, or at least 16 percent of France's energy needs in 1990, compared with 13 percent in 1981.

GDF's evaluation is based on contracts that have already been signed (with Algeria, the USSR, and the Netherlands), and drafts prepared with Norway. In order to reach the figure of 37.5 billion cubic meters, another 6 billion cubic meters will have to come from the Gulf of Guinea (Cameroon and Nigeria), from Latin America, Qatar, or even from Canada. There should also be 4 to 5 billion cubic meters of natural gas produced from coal gasification, according to the estimates of CDF [French Coal Company].

These billions of cubic meters will have to be "placed," as they say at GDF, with half being sold to industry, and the other half going to the residential and tertiary sector. This is an ambitious program which means that GDF is going to have to make some major efforts aimed at industry. Paul-Gilbert Millard, the head of the industrial division at the economic and commercial division of GDF, says: "In 1981, gas accounted for 31.4 percent of the fuels used in industry; by 1990, its proportion should reach 40 to 45 percent."

This increase is not going to come about through an expansion of consumption by the traditional big purchasers of gas (see chart on following page). On the contrary, the steel industry

plans to reduce its gas consumption, and the chemical industry plans only a very modest increase. Moreover, EDF [French Electric Power Company] is now starting to supply electricity to industries making construction materials (glass manufacturers, tile, brick, and plaster manufacturers), which will make inroads on the traditional gas markets.

Gas Sales to Industry in 1980 (millions of kWh)

Total	127,937
Chemical industry*	53,493
Steel	12,394
Glass	6,406
Plaster, lime, cement	5,848
Paper and cardboard	3,930
First metal transformations	3,546
Agriculture and food industries	1,686

* Two-thirds of the gas purchased by the chemical industry is used as a raw material, and only one-third is used as an energy source.

So gas will have to move into other sectors, and gain ground at the expense of oil, while still leaving space for coal, which has been given political priority, and while also moving back to make room for big increases in electricity usage. The nuclear program must have its way! Quite obviously, the margin for maneuver is quite limited. But as there has been no "Yalta Energy Conference," assigning a particular industrial sector to EDF, another to CDF, and the rest to GDF, competition will be active among the three public enterprises.

And yet, the game is still somewhat unequal. EDF has financial and commercial resources that have no comparison with those of GDF. And CDF has some very good advantages too: on one hand, the AFME [French Agency for the Mastery of Energy Sources] provides hefty subsidies for investments designed to drive hydrocarbons out of the market; and on the other hand, there is a difference of 3 to 4 centimes per therm between the price of coal and oil, while the price per therm of gas is the same as that of BTS oil. And finally, there is one more constraint and handicap imposed on natural gas by the government: this is the development of interruptible contracts. These are an essential precaution because of the risks of a technical or political shutdown of a supply source. These interruptible sales should double between now and 1990.

All these factors combine to make the essential goal of an increase in the use of gas by industry a real obstacle course. How will GDF be able to manage?

"Our first advantage," says Paul-Gilbert Millard, "is the size of our sales system, which has 100 joint EDF-GDF distribution centers, and eight gas groups which deal with big industrial consumers." Still, we must remember that the purely gas sales force has been largely disbanded. In fact, until the signing of the latest contracts with Algeria and the USSR, the uncertainties about supplies forced the commercial division of GDF to halt sales. The instructions given were to stabilize the total volume "placed" by compensating for possible losses of some customers by the addition of new customers. Now the context has been completely transformed, and the GDF sales agents are going to have to resume an aggressive promotion campaign.

This change requires that new contacts be made with industry (where EDF is "omnipresent," they say at GDF). That won't happen overnight.

Another advantage of GDF, and the main argument used by its sales force: the specific qualities of gas, a clean, flexible, and easy to use form of energy with a high heating power and excellent performances when used with new technology. These characteristics are particularly attractive in supplying energy for industrial furnaces. Modern gas furnaces are 3 times more efficient than oil furnaces, and they eliminate the problem of storage, and then the reheating of the fuel.

So gas has become competitive in a number of industries which use high temperature thermal treatments, such as metallurgy. Both the first and the final transformation of metals are leading markets being sought after by GDF. Right after this are the textile, food processing, and paper industries, which GDF hopes to attract by its new gas processes which can be used in dryers and ovens and the new boilers now available.

Then a number of other industries may be interested in forced heat systems powered by gas turbines. At the present time, there are only a few such systems in France, except in the chemical industry. Furthermore, the first gas heat pumps, which are expensive to buy but very economical in their energy consumption, have been installed in some breweries.

These first successes must still be consolidated. And there is no indication that there will be any increase in gas usage in the sectors being sought by GDF. On the contrary, more and more

electric furnaces are being built, which the users do like. EDF is even working to develop furnaces meeting the needs of traditional gas users, such as ceramics manufacturers. Furthermore, the timid advances made by gas in the food processing industry were quickly countered by new electric or coal-powered equipment (used for drying animal fodder, for example).

Uncertainties About Price Trends

The reluctance on the part of industry is easy to explain. On one hand, making the transition to gas is more expensive than switching to electricity. And the price gap is made worse by the AFME subsidies for energy-conserving investments (up to 25 percent of the total cost). GDF is often turned down for such subsidies because the techniques proposed for use are foreign.

In the case of competition with coal, the cost of investments favors the use of gas, but the AFME finances up to 40 percent of the coal equipment (if the equipment involved is particularly innovative), thus reducing the price differential. The competition provided by coal is especially troublesome for gas, for coal appeals to industrial customers who might accept interruptible gas contracts, whose placement has been given top priority by GDF.

Moreover, even with a comparable level of investments, industry has been hesitant to make the transition to gas because of the uncertainties about future price trends. Gas rates have already risen steeply in the past 2 years, and the terms of the Algerian gas contract give some grounds for the fears of new price rises. And while GDF remains silent on this point, which is decisive for industry, the EDF salesmen are telling their customers that their rates will not rise faster than inflation. And the CDF representatives go around, charts in hand, telling their potential customers that the price of coal will stay lower than the price of oil.

It is clear that the assurances of EDF and CDF are reassuring industry (perhaps falsely) by letting them calculate the return time for these expensive investments and that, on the contrary, the "fuzziness" of the future GDF rate policy does not inspire them with any great confidence.

Then, the final explanation for the limited advance of gas in industry: the lack of commercial dynamism of the equipment manufacturers, which is related to the limited financial inducements offered by GDF, and also to the other handicaps affecting gas which have already been mentioned. As an engineer from the

Electromechanical Company said: "We have lost a number of deals in which we offered gas as a possible solution to competitors who were being subsidized by the AFME. So now we are more cautious."

A New Approach to the Customers

We also have to point out that the gas equipment manufacturers have not been supported, both in financial terms and in terms of pure research, by GDF as the electric manufacturers have been by EDF. That explains GDF's frequent use of foreign technology. "We have stayed with an outmoded type of relations with the gas manufacturers and we have a lot of catching up to do in this area," admits Paul-Gilbert Millard.

A new approach to its industrial clients does seem to be getting started at GDF now. If, as some people, including Pierre Alby, the president and chairman of the board of GDF expect, oil prices soon start to surge upward again, this new commercial policy of GDF could meet with a more favorable response from industrialists who would then be eager to abandon the use of oil.

7679

CSO: 3100/809

NEW LAW TIGHTENS ARMS EXPORTS CONTROLS

Zurich NEUE ZUERCHER ZEITUNG in German 3 Jul 82 p 2

[Article by R St]

[Text] Vienna, 1 Jul--The Austrian parliament, through the votes of the Socialist Party (SPOe) and the conservative People's Party (OeVP), has passed a resolution calling for a tightening of controls on arms exports. The change in present legislation was not supported by the liberal Freedom Party (FPÖe) which pointed to the need to maintain employment in the affected industries.

The change in the 1977 law is intended to prevent the shipment of arms to countries whose serious and repeated violations of human rights pose the danger of such weapons' being used for further human rights violations. In the view of legal experts, the present law would have been sufficient to prevent such arms shipments. The more precisely drawn version takes account of the fact that arms exports in general were the subject of heavy criticism during this spring's peace discussions. Until now, Austria, like Switzerland, has not sold arms to countries at war or in conflict areas. Nonetheless, the current interpretation of this concept is more elastic than that of the Swiss. Just after his visit to Saudi Arabia in May 1981, Chancellor Kreisky envisioned a sale of Austrian-produced Cuirassier tank destroyers to the Saudis as a possibility.

The discussion centering around arms exports bears the signs of a conflict of generations, mainly centered within the parties. Especially among the Socialists, conflicts have been intense between younger party members and the trade union wing which is concerned with maintaining employment. Under pressure from the party's Leftwing, the Austrian Government cancelled the sale of Cuirassiers to Chile in 1980, just before they were due for shipment. There were no such second thoughts about the generals in Argentina. In 1978 and 1979 the Argentines purchased between 50 and 60 tank destroyers and in 1981 an additional 57; part of the first shipment had actually been intended for equipping Austria's own armed forces. At that time the government allowed the sale, pointing out that a contrary decision could have been contested through the country's higher administrative court. During 1982 Austria no longer complied with Argentina's requests. Cuirassiers appear to have been transported to the Falklands in April, but apparently were needed back in Argentina before actual ground fighting began. Other buyers of the tank destroyer include Tunisia, Morocco and Bolivia; definite interest has also been shown by Iraq, Yemen, Libya, Egypt and South Africa.

Production of the Cuirassier will continue to be of vital important to its manufacturer, Steyr-Daimler-Puch, for a number of years. The firm, which is a state-owned enterprise, is extremely discreet about information concerning its customers. In this connection the revised law includes an innovation. A report must be submitted each year to the Foreign Policy Council, in which all parties are represented, concerning the type of military equipment being sold and to what regions. The approval system has not been changed. The ministry of the interior continues to exercise authority for approval, acting in conjunction with the ministries for defense and foreign affairs and in consultation with the chancellor.

9878

CSO: 3103/572

NO IMPROVEMENT SEEN IN GERMAN ECONOMIC TRENDS

Zurich NEUE ZUERCHER ZEITUNG in German 7 Jul 82 p 11

[Article by Hm: "German Economic Climate Without Improvement. End of Stagnation Postponed Till Further Notice"]

[Text] The bottom of the economic valley has been reached. With this phrase --though true for more than a year--spokesmen of the Bundesbank and the government, in concert with each other, have been trying to generate some kind of official optimism. It is more or less tacitly implied that a turn for the better is around the corner. A glance at the statistics, however, casts a shadow on this officially rosy scene. Significant indicators--primarily the balance of payments, interest rates, wages and prices--do indeed show positive trends. Other important indicators have been stagnating for months at prevailing low levels (production) or are even worsening from month to month, as is the case with new orders received or with the unemployment rate. On balance there seemed, in any case, to be no recovery in sight for the German economy at mid-year. With the onset of vacations, the period of slow-downs and summer slump has begun--there can be no predicting the end of a year and a half's stagnation until this fall at the earliest.

Still, industrial production did increase somewhat during the spring. In the months of April and May production rose by a mere 1 percent over the average of the first quarter, though still half a percent below the rate for the corresponding period of last year. According to estimates of the ministry of economics, the gross domestic product in the first 3 months of the current year (as compared to the last quarter of 1981) did rise markedly. The real gross national product, on the other hand, rose only slightly since income was transferred abroad to a great degree. While the domestic product during the first quarter rose by 0.5 percent as against the same period last year, the gross national product continued to stagnate at the level of 1981.

Seen against the background of this sluggish development and the demographically determined rise in the number of new entrants into the labor market, unemployment rose again even at mid-summer. In June 1.65 million people were without jobs, bringing the unemployment rate to 6.8 percent as against last year's 4.8 percent. This was 4,500 more than in May and 525,000 more than a year ago. Owing to seasonal trends (beginning of vacations), the number of part-time workers dropped from last month's total by 26,150 to 428,693; compared with the same period last year, this indicates a rise of some 35 percent.

Seasonally and price adjusted private household consumption--as defined by national economic accounting--fell once again from the level of the previous quarter. Retail trade activity was weaker well into the months of March and April. For the first time there was no worsening of the retail business climate during the month of May. According to surveys done by the IFO Institute, the situation of those firms responding was judged to be similarly bad in April, though expectations are not as pessimistic for the next 6 months as they had earlier been. In fact most forecasts were calling for an improvement in consumer demand in the second half of the year. Still, consumption in the end is likely to be at a lower level than last year.

Demand in the processing and finishing industries continues to be sluggish. With domestic orders continuing to be slow, orders from abroad are also losing their vigor. This is especially marked in the investment goods sector where last year a particularly good export record was chalked up. In the entire processing and finishing sector, seasonally and price adjusted orders received between January/February and March/April were down by 3 percent. According to the IFO's surveys, a further decline for May can be expected.

While the government is still maintaining that there will be growth in the GNP of between 1 and 1.5 percent, the predictions of the research institutes, calling for a 0.5 percent rise, seem, in the light of trends till now, to be more and more in the process of becoming reality. There will, of course, be arguments among economists about the significance of individual retarding factors. The continuing weakness of growth abroad and the nervous investment climate at home offer themselves as hypotheses. What is clear is that the projected economic indicators continue to show a downward trend through May. Thus corporate management has not only been taking a dim view of the economy since the beginning of the year, it has also pulled back on its expectations for May, although in April--for the first time since last November--an improvement was recorded. In addition to this must be counted the 1 percent hike in interest rates in June which, according to experts, may be reduced once again by October.

In the light of all this, it should not be forgotten that the Bundesbank has set monetary policy in terms of stabilization and even a slight expansion of the money supply. The Hamburg HWWA Institute anticipates that the effects of the accelerated growth of the central bank's money supply will make itself felt within 9 to 12 months. Because of the many uncertainty factors and in view of the many still not fully predictable trends, the prognoses for the coming year are still at odds with each other. On the positive side is the still unpublished, though frequently cited by government authorities, report of the OECD on the state of the West German economy, which foresees a growth in the GNP by 3.25 percent in the coming year as against this year's 1 percent. At the same time the OECD is also predicting a rise in the unemployment rate from a present 6.5 percent to 7 percent in the next year. On the other hand, the Kiel Institute for International Economics, which has had a notorious inclination to pessimism in its most recent prognoses, estimates a growth rate of only 1.5 percent (for 1982 a decline of 0.5 percent). The Berlin DIW Institute, with its growth projection of 2.5 percent (following 0.5 percent) comes very close to the economic optimism propounded in Bonn, where a growth rate of 3 percent continues to be propounded.

HOPES DIM FOR THREE-PERCENT ECONOMIC GROWTH IN 1982

Hamburg DER SPIEGEL in German 21 Jun 82 pp 25-27

[Text] The labor minister was beset with doubts. He can no longer believe, he told his cabinet colleagues last week, that the German economy will grow by 3 percent next year. After the mark was revalued, especially in relation to the franc and the lira, export obstacles must be expected. The 3-percent growth rate foreseen by the government has become unattainable.

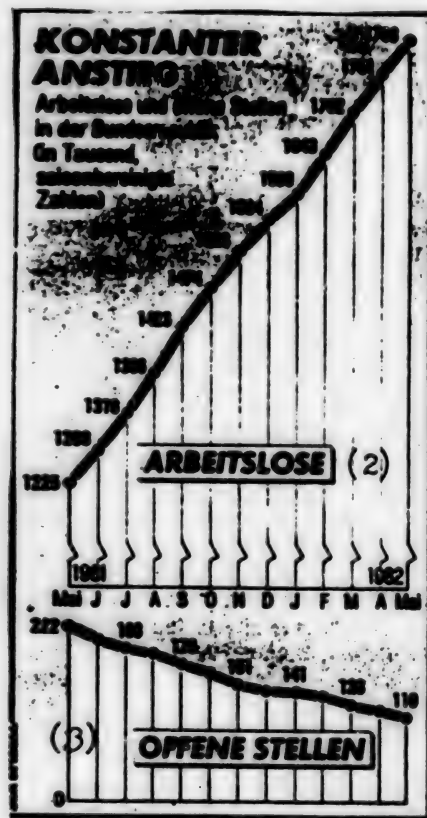
Economic Minister Otto Graf Lambsdorff immediately flared up: It cannot be allowed that assumptions on economic trends that are the basis for budgetary discussions should be abruptly overturned. The established growth goals ought not to be subjected to further doubt.

The economic minister's demand was met a few hours later. Two government officials appointed by the two ministers got together and found out—who can be surprised—that exchange rate changes had been prudently included in the calculations for the 3-percent forecast. When the ministerial circle met again that evening, Lambsdorff reported that his colleague Westphal was now operating under the same data as he was.

Convincing political reasons spoke in favor of a rapid agreement. Even slight reductions in the growth expectations mean a further steep rise in unemployment and an even greater decrease in the flow of receipts for Finance Minister Manfred Lahnstein. The shortfall of billions in the 1983 budget draft would again grow even larger, and the coalition's survival chances would be still smaller.

A 3-percent growth rate can be based on political tactics alone, not on economic arguments. At present there is nothing to indicate that the desired upturn will soon come to pass; much indicates that the economy will remain stagnant into next year.

Helmut Geiger, president of the German Savings and Clearing Bank Association, is of the opinion that it is becoming more and more difficult to defend "a restrained optimism." The calculation of the Bonn coalition members for 3-percent growth is "not justified."



Key:

1. CONSTANT RISE
Jobless and vacant positions in the FRG (in thousands, seasonally adjusted figures).
2. Jobless
3. Vacant positions

An essential argument for more careful assumptions on the economic trend was given to the Bonn ministers by Federal Bank President Karl Otto Poehl in the same cabinet session in which Westphal was brought back in line. Poehl fears that the laborious process of lowering interest rates ("a great deal since autumn") could again turn around.

Four weeks ago, explained Poehl, he believed that "the worst" had been overcome. The president of the Federal Bank names the same reasons for this hope as those that Bonn repeatedly presents:

--Thanks to an export-boom, the FRG balance of payments has improved with sensational rapidity;

--moderate wage settlements assure that 1982 business profits will rise by 8.5 percent, as opposed to only 3.5 percent for employee incomes;

--interest rates have, after all, fallen a good 2 percent.

But one thing has alarmed the Federal Bank chief: Despite declining inflation in America, interest rates on dollars continue to rise. Neither U.S. bankers nor industrial bosses believe that President Reagan can balance his budget deficits of more than \$100 billion per year. But, says Poehl, a further freeing of mark interest rates from dollar interest rates is not in the offing.

In the first 3 months of this year alone about DM 10 billion left the FRG--attracted by the higher dollar market interest rates, and also alarmed by the Falkland War and the Middle East crises.

Should this capital outflow become even greater--and the high rate for U.S. currency of DM 2.46 on Friday of last week points in that direction--then possibly the issuing bank would again make money more expensive in this country. But high interest rates discourage enterprises from investment, they encourage no builders, and they do not lead to an increase in inventories.

Also, there can be no hope for stimulation from private consumption. For the third year now employees must accept income declines of up to 2 percent. The mood is correspondingly gloomy in retail trade.

Last year business sold 2.5 percent fewer goods. Heinrich W Heyer, president of the Federal Work Association for Middle- and Large-Scale Retail Enterprises, expects a similar poor result for 1982.

In view of high interest rates and diminishing domestic consumer demand the wave of bankruptcies continues; better average profits for many enterprises have brought no change as yet. In April 1982, 1,281 companies filed for composition or bankruptcy, 50 percent more than for the same month of the previous year.

Even economic politicians in Bonn in their rose-colored forecasts do not expect a sudden buying spree by Germans. They have calculated nominal growth of 4 percent in 1982 domestic demand. But since prices are simultaneously rising over 5 percent, in real terms that would be a decline.

In view of the outlook in Germany, all hopes lie beyond the German border. As so often before, exports are to bring the economy around.

And exports are flourishing as seldom before. Last year FRG exporters increased the gross national product by DM 12.2 billion, and Bonn experts are counting on an increase of DM 35 billion for 1982. Indeed, a further increase of DM 40 billion is firmly planned for 1983.

But the calculation contains a number of unknown factors. Hans-Andreas Siemann, assistant director of the Association of Wholesalers and Exporters: "We fear that exports could decline again." To count on an export boom is "presumptuous."

Economists in Bonn ministries dismiss such warnings as the usual business complaining, not to be taken seriously. But the warnings are indeed well-founded.

With exports making up 30 percent of the gross national product, the FRG has probably reached a level difficult to surpass. Industrialized nations, as well as developing countries, are becoming increasingly protectionist. Because of falling oil receipts, the previous large customers from the oil countries can no longer place orders as easily as before. Many threshold countries, Brazil or Mexico, for example, need a large part of their foreign currency receipts for interest and principal on loans, and have nothing left for purchases.

Last year exports to a number of countries grew so rapidly that further rapid growth seems hardly imaginable. The EEC countries, for example, where about 50 percent of German exports flow, took in 8.2 percent more goods.

Experts believe that the revaluation of the mark relative to the franc (10 percent) will have no permanent effect on German business. However, a 10-percent smaller price advantage certainly prevents achieving the growth of recent months, especially when there are no signs of a lasting cyclic upturn in any of the European industrial countries. Neither could it escape government officials in the Bonn Finance Ministry that the mood is plenty "gloomy" (Geiger), in view of such perspectives. That is why they are looking for arguments to aid their minister in using propaganda to counteract the depressed mood.

They did find something in the latest report of the OECD in Paris, an organization of the largest Western industrial nations. In comparing the large economic nations the OECD economists reached the conclusion that the FRG was acting like a "conceited sick man."

The officials wrote the joke by their Paris colleagues down on some speaker's notes for their minister under the topic business cycles. Now he will share it with the people.

9746

CSO: 3103/529

UNRESOLVED ISSUES TO DELAY EC ENTRY UNTIL 1984

Lisbon O JORNAL in Portuguese 2 Jul 82 p 24

[Text] It is practically certain that negotiations for Portugal's admission to the EEC will not be completed by the end of this year, as had been planned on the schedule drawn up between the Portuguese side and the Community's Belgian chair; Belgian chairmanship ended at the end of June and Denmark took over.

The European Council at the beginning of this week decided to ask the European Commission to draft an inventory of problems resulting from the expansion with special emphasis on its financial implications.

For the first time the Community in a clear fashion has directly related the problem of money shortages to the admission of Portugal and Spain.

At the current rate, the Community will within 3 years have exhausted its own financial resources; this is why it is discussing ways of increasing the contribution of the member countries (1 percent of the VAT receipts) at a point in time when it has not yet been definitely resolved what contribution Great Britain can make to the budget and at a moment when the FRG is giving indications being tired of being the Community's treasury.

Although statements by Community officials do not in any way challenge the principle of admission, they do hint that the process will have to be delayed until better days, especially in financial terms.

Gaston Thorn, chairman of the Community Executive Committee, noted that "There is no intention of postponing the new admission indefinitely" but considered the inventory to be a "useful and healthy exercise," accepting the possibility that its results might become known even before the end of this year or by the time negotiations with Portugal should be ending.

The Italian foreign affairs minister in turn said that "It is necessary to identify the problems in a precise form and to tie them in with the internal reform of the Community, particularly with the reorganization of Community agriculture."

An ever closer relationship between admission and internal reorganization of the Community seems evident and Portugal does not control that process so that we are still far from a consensus among the Ten on its content.

Gibraltar Delays Spain

The British magazine THE ECONOMIST this week tied Spain's admission to the EEC in with the resolution of the differences which Spain still has with Great Britain concerning sovereignty over Gibraltar.

Likewise known are the obstacles which France has been raising to the negotiations with Spain by virtue of the impact which Spanish admission will have on the French economy, particularly due to the increased competition which the farmers in the country's southern part would have to face due to the dimension and capacity already displayed by the Spanish agricultural sector.

Both Spain and Portugal will hold meetings on the ministerial level in Brussels this month for the purpose of resolving the issues that were left up in the air during the June meeting.

According to THE ECONOMIST, "If there is no agreement, the prospects for Spain's admission to membership in the EEC in 1984 will be remote and one can begin to look forward to the possibility of Portugal getting in even before that; this would be a serious affront to Spanish pride and Spain in that case might even abandon the negotiations, thus saving France or Great Britain the need for coming out with a veto.

There is every indication however that the capacity of Portugal in diplomatic terms will be decisive when it comes to convincing the Ten to accept a formal separation of the two processes--an issue on which Great Britain and the FRG are most opposed.

Here it will be necessary for the Ten to assume a position of frontal hostility toward Madrid and that does not seem to be an alternative to be taken into account at least for the time being.

The available elements of information however seem to indicate that the date of 1 January 1984--pointed out as being the date by which Portugal's entry into the EEC would materialize--is increasingly becoming a mirage of foreign policy on the part of AD [Democratic Alliance] instead of a realistically established goal.

"Top Priority"

Ever since AD came to power in 1980, facts have been presented which indicate that there is an acceleration in the process of negotiations by virtue of a certain negotiation tactic adopted by the Portuguese side.

In 1980, Freitas do Amaral assigned "top priority" to this process, thus indicating the administration's attitude toward the European option, as if this had been a decision by the parties within the government coalition.

Alvaro Barreto was more cautious in the first Balsemao cabinet; he adopted a formula according to which the European option was one of the main priorities in administration action and he maintained that attitude without any major changes until the 22 February ministerial meeting.

The negotiation on the five "dossiers" during that meeting--where certain chapters were closed out for the first time, along with the establishment of a preliminary schedule for negotiations--once again persuaded the AD officials to deck themselves out with the soon-to-come admission of Portugal to the EEC.

The method of dividing the "case files" into three packages, according to the degree of difficulty, would permit rapid progress in this process and the conclusion of negotiations this year so that the admission treaty would be signed then early in 1983, the year of ratification by the national parliament so that full membership would be accomplished on 1 January 1984.

The second package of "case files," negotiated on 22 June, already included some of the key negotiating points although these were not decisive relative to the "timing" of admission, as was the case in connection with the textile exports system, relations with third countries, direct foreign investments, liberalization of banking transactions and insurance, or the VAT.

In contrast to the first package, which included almost all "case files" under review, no overall preliminary consensus was achieved in the second one on any of the chapters on the agenda: Customs union, foreign relations, European coal and steel community, taxation, and establishment law.

Agreement was achieved on three major issues: The pace and duration of transition to the removal of customs barriers in the industrial sector (7 years), the period of time set aside for the introduction of the VAT (3 years), and the continuation of the system of authorization prior to direct foreign investment (general 4-year postponement for projects exceeding a total of about 200,000 contos).

5058

CSO: 3101/50

TEXTILE EXPORT POLICY MAY DELAY EC ENTRY

Lisbon 0 JORNAL in Portuguese 2 Jul 82 p 25

[Article by Jose Amaral, ANOP Journalist, Brussels: "Negotiations Between Portugal and the EEC Made Difficult by Textile Exports"]

[Text] During the month of July, the textile export system will be the main concern in relations between Portugal and the European communities after constituting the essential point in the disagreement during the negotiation session held in Luxembourg on 22 June. Having failed to arrive at a consensus among themselves concerning the negotiation position to propose to the Portuguese delegation, the EEC ministers will once again tackle this issue on 19 and 20 July during the last council meeting scheduled before the summer vacations.

The debate, previously developed in depth on the level of Community's textile committee and COREPER (Committee of Permanent Representatives), will as its essential reference point have a proposal recently submitted by the European Commission, suggesting overall treatment of the systems to be put into force during the pre-admission and post-admission periods.

After the signing of the treaty--the document suggests--a mechanism of "administrative cooperation" should be retained for 3 years; this mechanism would be expressed by the imposition of quantitative restrictions on exports involving so-called "sensitive products."

The positive element in the Commission's reply resides in the definition of annual pre-programmed growth rates reaching an average of 15 percent. This basically involves the "rehash" of a solution studied in 1980 exclusively for textile trade with the United Kingdom which is now a member state.

The prospects for a consensus among the Ten, based on this suggestion, for the moment seem remote and the relative optimism expressed by commission member Etienne Davignon, concerning the possibility of completing this negotiation phase in July, which has already been going on for 2 years, is not shared in some Community capitals, especially London and mainly Paris.

Hardening Attitude of France

In an official counterproposal, submitted to the Community Council of Ministers [cabinet] before the negotiating session with Portugal, the French delegation introduced a new limitation which accentuates the restrictive character of the positions previously disclosed on this matter.

After initially considering a transition period of 4 years, Paris now wants to make the period applicable to the texts coincide with the duration fixed for the removal of customs barriers in the industrial sector, that is, 7 years, according to the terms of the agreement which was worked out during the negotiating in Luxembourg.

Independently of this essentially point, the French position advocates much lower annual growth rates, a level of 5-7 percent, during the first year of this period of time, increasing progressively up to 15 percent at the end of the period of transition. In contrast to the Commission's proposal, the text simultaneously calls for the automatic implementation of the safeguard clause and the insertion of the list of sensitive products in the text of the admission treaty.

"The position of our services connected with the textile sector is quite intransigent and for the time being I cannot see how it could become more flexible in such a short interval of time" said a French diplomat connected with Portuguese admission, suggesting the need for bilateral negotiations between Lisbon and Paris to try to iron out the present disagreements.

Leo Tindemans, the Belgian foreign affairs minister and chairman of the Council until the end of June, considers it impossible at this time to establish a precise time horizon for the completion of textile negotiations.

Consensus Impossible Without Restrictions

"On issues such as this one," it was explained, "it is impossible to predict what might happen within the community; during the ministerial meeting with Portugal on 22 June, things seemed definitely compromised almost until the end of the meeting and we have just worked out an agreement on the various fundamental issues."

One aspect of the problem however seems to have been definitely established according to a high official in the FRG Foreign Affairs Ministry who is involved in intra-Community relations: "It will be impossible to avoid--as the German delegation claimed--a consensus which does not imply the maintenance of quantitative export restrictions during a period of transition after full membership."

It is precisely on this very basic point that the Portuguese government holds one of the keys in the final negotiations. Lisbon has not yet officially and formally commented on the Commission's proposal and it is not expected that it will do so as long as there is no basis for common negotiation sponsored by the member states.

The European ministries of industry and integration however actively kept up with the evolution of Community positions: The textile sector for example was the central topic of a discreet meeting held about 4 weeks ago in Brussels between Minister Bayao Horta and Commissioner Etienne Davignon, the chief official responsible for the proposal submitted to the ministers of the "Ten."

Lisbon Rejects Restrictions

Joao Salgueiro and Baya Horta in Luxembourg refused to indicate whether the solutions contained in the Commission's document could be accepted by the Portuguese government; they only reaffirmed that Lisbon "continues officially to reject quantitative restrictions on exports after full membership."

Contrary to what appeared evident at the beginning of the year, it now seems that a consensus is shaping up between the two parties on the advantages of definitely resolving the "textile issue," thus discarding the assumption of using that point as a "bargaining chip" during the final round of negotiations.

Without running the risk of excessive oversimplification, it could be said that this new factor in the tactical prospects of negotiations basically springs from the urgent character of the solutions to be worked out for the pre-admission period (1983 and 1983, according to the working assumption considered by the Commission).

The determination of the export levels for that period of time by the way is a fundamental aspect for the overall solution of the problem since it would determine the basis for the application of the growth rates during the period of transition and therefore also the export volumes at stake.

5058

CSO: 3101/50

IMF REDUCES COUNTRY'S CREDITWORTHINESS

Madrid ACTUALIDAD ECONOMICA in Spanish 24 Jun 82 p 25

[Text] "With the current deficit in the public sector and a negative balance of trade, the Spanish foreign debt will keep growing to such levels that no private banker will want to lend the country any money. The next step is clear: turn to the IMF. This organization will follow its customary policy of telling borrowers in difficulties: 'if you want some money, you will have to tighten the belt with an austerity plan proposed and supervised by us.'" This is the dark picture painted by an American banker for ACTUALIDAD ECONOMICA when we asked for his opinion about Spain's foreign debt.

The truth is that during the first quarter of this year the debt was reduced by \$123 million, from \$27.205 billion in December to \$27.082 billion in March. But, according to all the experts, this decrease is purely circumstantial, forced by the peseta's continuing depreciation and the dollar's high interest rates. From now on, even if the dollar and its interest rates keep climbing, public and private lenders will have to go abroad to keep the reserves from shrinking.

But it seems that some foreign bankers do not base their opinion on such short periods but on the long-term trends: during the last 4 years (December 1977 to December 1981), the foreign debt almost doubled, going from \$15.126 billion to the already mentioned \$27.205 billion.

Unfortunately, this spectacular growth is not financing economic growth, but only alleviating problems created by a no-less-spectacular increase in the energy bill.

Toward a Red Alarm?

Guillermo de la Dehesa, who heads the Bank of Spain's Office of Management of Foreign Assets and International Relations, provides data in an article published by PAPELES DE ECONOMIA ESPANOLA that shows the Spanish debt, in dollars (at end-of-year exchange rates) increased 679 percent between 1973 and 1981, "while our gross domestic product, in dollars, (at average annual exchange rates) grew 162 percent; our exports of goods and services, in dollars, shot up 303 percent; our creation of gross capital,

in dollars, increased 110 percent and our reserves (with the value of gold at \$42.22 per ounce) increased 71 percent." Therefore, the Spanish debt has grown much faster than the economy.

Nevertheless, Spain's foreign credit solvency is not now in red alarm. In fact, if we compare the expenses of servicing the debt (amortization and interest) with the income from goods and service exports--which is the most common indicator since it shows whether the country will have short-term liquidity problems--we find the service of the debt in Spain has not reached 20 percent of current foreign income, the threshold where foreign credit worthiness becomes a problem.

Spain without AAA Rating

We have not reached the limit yet, but we are close: In 1981 the ratio was 19.8 percent against 16.2 in 1980 and 18.7 in 1979. De la Dehesa believes that, in this sense, 1981 was an atypical year since the peseta's depreciation devalued current income, measured in dollars. However, nothing seems to indicate that the exchange rate will improve this year or the next, so it would not be surprising if we topped the 20 percent barrier.

Just in case, Spanish officials have not turned to American financial qualification agencies because they are almost sure that the Kingdom of Spain would not deserve the highest AAA rating. And it will probably be even more difficult to obtain this rating in the future since not only do exports, measured in dollars, increase very little, but also the financial cost of the debt increases noticeably. Since most foreign credits (63 percent) are negotiated in dollars and 89 percent have revolving interest rates, it is not uncommon for a growing debt to have an average interest which also grows: It went from 6.7 percent per annum in 1973 to 13.6 in 1981. Between 1978 and 1981 alone the average interest increased 5.4 points.

Altogether, the condition of the foreign debt now is not worrisome, if things remain as they are. The problem, in fact, lies in keeping things as they are. And the truth is that that does not seem very probable due to the public sector's deficit, a chronic problem.

In the last few years, the public debt increased enormously. Guillermo de la Dehesa points out that the reason for this lies in shrinking public savings and huge losses suffered by many public enterprises, especially the INI [National Institute of Industry]. Is it reasonable to believe that in the near future public savings will increase and public enterprises will stop losing money? The alternative, as the American banker says, is the IMF.

PEACE RESEARCHERS DISCUSS NORDIC ARMS EXPORT ISSUES

Helsinki HUFVUDSTADSBLADET in Swedish 2 Jul 82 p 10

[Text] "Finland has never taken a close look at the fundamental issues involved in arms exports."

"Swedish weapons are involved in most of the world's wars and conflicts."

"In Norway, arms exports have never been discussed to any great extent."

Those are some of the statements made on Thursday by Nordic peace researchers who had gathered for a peace meeting in Halikko, near Salo in Aboland. Thursday's topic was arms exports. The meeting will continue on Friday and Saturday.

The Finnish contribution was presented by researcher Pertti Joenniemi from the Peace and Conflict Research Institute in Tampere, who had participated in preparing a report on Finnish arms exports at the request of the Finnish Peace League.

"The most striking discovery we made was that people in Finland have never taken a close look at the fundamental issues involved in arms exports."

In Finland, arms exports are viewed as positive from the standpoint of defense policy. Only specific foreign policy considerations lead us to refrain from exports, said Joenniemi.

According to him, Finland would not lose anything by discontinuing its exports. On the contrary, the question would have very great importance from the standpoint of principle. He says that the economic side of the question can always be worked out.

Joenniemi pointed out that Finnish weapons often wind up in countries that are involved in conflicts--a situation that is contrary to our principles concerning arms exports.

Joenniemi concluded by saying that controlling arms exports would promote peace in the world.

The value of Finnish arms exports is estimated at between 60 and 70 million marks per year. Mostly smaller weapons are exported.

Ban Ignored

Thomas Magnusson, chairman of the Swedish Peace and Arbitration Association, said in his address that international arms exports amount to 100 million Swedish kronor per year.

Of that total, 70 percent goes from the industrialized countries to the developing countries. Sweden's share of the trade amounts to 2 billion marks.

Magnusson noted: "Certainly we have a ban on arms exports to countries that are at war, but it happens that Swedish weapons are nevertheless involved in most of the world's wars and conflicts."

The government uses its authority to issue exceptional permits very generously, he said.

Magnusson continued: "But the principle governing our trade, when it occurs, is that arms shall not be sent to countries involved in any form of conflict," and he gave an example:

"Sweden's arms exports to Indonesia in 1977 were worth 1 million kronor. The following year, the figure was up to 25 million kronor. The exports shot up just as Indonesia's war in East Timor was starting to attract attention. That war was condemned in several UN resolutions as genocide. And Sweden supported those resolutions. But in the fall of 1980, when a new resolution was presented to the United Nations, Sweden did not endorse it. That is one example of how economic interests have influenced foreign policy."

"When it comes to investigating Norwegian arms exports, the problem is that the authorities do not provide any statistics at all."

11798

CSO: 3109/197

STUDY ON SOCIALIST URBAN LOSSES IN FRG, AUSTRIA, NETHERLANDS

Frankfurt/Main FRANKFURTER RUNDSCHAU in German 29 Jun 82 p 1

[Article by Reinhard Voss: "Social Democrats Keep Their Former Voters From Voting"]

[Text] Statisticians do not find noticeable increase of conservative followers in large cities. Dim prospects for SPD.

Duesseldorf, 28 June--According to the computations of election statisticians Ernst Gehmacher of Vienna, and Manfred Guellner of Cologne, the Social Democrats in the Federal Republic, the Social Democrats in Austria, and the Labor party in the Netherlands must expect further big losses in large cities. The Austrian Social Democrats will lose the absolute majority of votes in the next city council elections in Vienna, according to a study made public in Duesseldorf.

German Social Democrats will fare even worse: If the trend computed by Gehmacher and Guellner continues, the CDU/CSU will become the strongest party in 9 out of 12 large cities, with an absolute majority in 5 of them, in the municipal elections in the Federal Republic in 1984. The election analysts from Vienna and Cologne claim in their work that "the SPD will gain relative majorities in only two of the three labor cities in the Ruhr area, and in Bremen." Gehmacher and Guellner predict Social Democratic election losses of an additional 8 percent in Munich, 8 percent in Stuttgart also, as much as 11 percent in Duesseldorf, 7 percent in Cologne, 11 percent in Dortmund, and 12 percent in Essen. The gains will be shared by the CDU and "others," with the CDU gaining the larger part.

Although these trend computations are based only on the election results in Frankfurt, Hannover and Kiel, they are noted with some concern by the Social Democrats of North Rhine-Westphalia who in 1984 must defend their red strongholds in the Ruhr area. The two election analysts and their staff studied not only the election results in the three large cities, but they also closely investigated voter attitudes in other European cities such as Amsterdam and Vienna. They discovered a growing tendency towards nonvoting, especially among Social Democratic voters.

Their report states in this context: "This tendency began in elections at the municipal level; in the meantime, it has also become evident in elections at other political levels. The tendency to refrain from voting is most marked where processes of social change are very pronounced; this is independent of the influence of traditional political behavior patterns of the citizens in the individual cities [exerted] on the extent of voter participation." In this context, Gehmacher and Guellner point to the example of Amsterdam, where in March 1982, the Social Democratic Labor party could not turn out even one-fifth of the qualified voters for themselves.

The election analysts contradict the theory of a spreading conservative trend. According to their studies, the conservative parties in the Federal Republic, as well as in the Netherlands and Austria, "were not able to increase significantly" their potential voters in the cities. However, the conservative parties make better use of their voter potential, especially in local elections. The turnout rates (actual voters vs qualified voters) among Social Democrats were subject to extreme fluctuations during the last national and municipal elections: The difference between maximum and minimum voter turnout among Social Democrats was 18.7 percentage points in Frankfurt, 18.1 percent in Amsterdam, and 11.4 percent in Vienna.

Gehmacher and Guellner draw a depressing conclusion for the Social Democrats: "If the trend in local elections in 1981 and 1982 in the Federal Republic continues until 1984 in the municipal elections yet to come, then the SPD share of votes in large cities, which in the first half of the 1960's was 55.4 percent of all valid ballots, and which already dropped in the second half of the 1970's to 47.5 percent, will fall below the 40 percent mark. By contrast, the CDU will be able to further increase its share to 47 percent."

9917

CSO: 3103/578

GAUS PLEADS FOR 'RATIONAL' INNER-GERMAN POLICIES

Hamburg DIE ZEIT in German 4 Jun 82 pp 12-13

[Article by Guenter Gaus: "Without Smarties and Fanatics"]

[Text] The Germany policy refuses to relax its hold on him since he resigned as the first permanent representative of the FRG in East Berlin: Guenter Gaus gives the politicians in Bonn as well as the peace movement new food for thought.

The state of inner-German relations and their influence on the state of peace in Europe are dependent on the various Falkland Islands in the world. For divided Germany there is no longer a Walachia, back where the peoples, other peoples encounter one another. In our national misfortune we have a part in every war throughout the world; in any event in the sense that each of them--in so far as it even only indirectly affects the two world powers and their global interests--diminishes the possibilities for further relative normalization between the two German states.

I shall immediately add a further banality which is often overlooked: many West German politicians, especially governing politicians who must let themselves be measured by their action and not only by their intentions, like to make use of the incontestable international intertwining of the Germany question in order to ease for themselves the actual responsibility of the West Germans for the relationship to the GDR, the other German state--a responsibility which is present in addition to international overlapping.

Strictly taken, the Germany policy of the social-liberal coalition in Bonn has always been implemented since 1969 only as part of the policy of the Western bloc vis-a-vis the Eastern bloc. That was correct because it would have been an illusion in respect to the other German state to view as possible an absolutely independent policy isolated from the Western camp. And in the national question, we had let illusions call the tune long enough--20 years.

Embedding the Germany policy of Willy Brandt into the then parallel Ostpolitik of the West was, however, not only essential; the conceptional question of how much FRG independence, how much self-determined behavior could also be effective in Bonn's Germany policy, also took a back seat to that. The question was not asked; presumably this was a fortunate situation because

active thorough consideration would surely have resulted at that time in tensions within NATO and the Bonn coalition. With Washington's policy of that time as the basis, which desired compromise with Moscow, it was possible to cover the exposed flank in the new Germany-policy concept with impulsive empty phrases about the European path which would lead to the answer to the Germany question. For many years international conditions made it possible for Sunday phrases to cover up the duty for further thought, although everyone knew that even a circuitous route via the Europe of Brussels would not result in even partial solutions to the inner-German problems.

Since U.S. President Reagan has reformulated the ideology of the policy of his country in respect to the Soviet Union and has also tried to change NATO's attitude to it--more recent disarmament suggestions for the present imply only a soothing sound for domestic consumption, and nothing more--thus, since then not only has the debate about the purpose of NATO and the appropriate peacekeeping accomplishment of same gotten started on both sides of the Atlantic. Also the question of the possible share of independence of the Bonn Germany policy in the framework of the Western alliance can no longer be answered for all FRG voters quasi in passing with a gesture that appears to be just as usual as it is empty and which points to a Europe which does not exist.

How much independence is given to us Germans under the prevailing international conditions? Confronted with this question I turn against defeatism, but I also warn of illusions and irrational ideas. In the near future we will have to be mindful of smarties and fanatics in like manner. At the SPD's most recent party convention in Munich there were many smarties. Many fanatics are nesting in the nonargumenting part of the West German peace movement. In the current Bonn opposition there are smarties and fanatics, and in fact even those who view victory over Soviet communism on Reagan's wings as a pleasure journey.

Even in the Bonn ghetto, where conferences and discussions, together with the notations and records which are distilled from them, are generally considered to be the total reality of the policy, it has been noted that the question of the actual right and claim of the Germans for consideration of their situation--reasonably posed--can no longer be tersely dismissed as anti-American or contrary to the alliance. Chancellor Schmidt did take this into account last year when he justified the FRG's holding back in the fact of Western sanctions against the Eastern bloc even with the reference to the "16 million hostages," our compatriots in the GDR. It was an unfortunate formulation. But the thrust of his argument did prove Schmidt to be a politician who is striving for adjustment: adjustment to ideas, to moods in the country which do not appear in any NATO communique, but are nonetheless a part of the political situation.

Nevertheless the habit of passing off FRG policy, also in respect to the inner-German situation, as completely dependent on the overlapping bloc-policy on both sides is still dominant in Bonn. There is, of course, the assertion of wanting to keep this apart from the freezing over of Afghanistan. But there is scarcely an inability which is acknowledged in Bonn with such lack of embarrassment as the fact that it has not been possible to protect relations with the GDR at all from the international chill.

The majority of the West Germans, cutting across all parties, makes things easy for their people in Bonn. The forbearance of the West German majority with the politicians in Bonn in the matter of the national question is the result of a mixture: from--gradually weakening--indifference to the topic in general; from the reduction, downgrading of the problem of division to the ideological, anticommunist level from which the view to the other side is narrowed; and from a certain West German boastfulness. What is the GDR actually? For example, Helmut Schmidt, in the past few years with his publicly recognizable judgments, was completely in accord with the current opinion when he viewed Gierek as an especially capable statesman, especially in the economic sector, and Honecker as not quite so capable.

No matter what the sources are that join in nourishing the relationship between states and their representatives, it is certain that with every setback--and there will still be many--our Germany policy is passed off without further ado as an unavoidable victim of a generally adverse weather situation. This happens, so to speak, with a shrug of the shoulders; without self-criticism by the Bonn politicians, no matter now appealing the confession of errors made and the frank announcement of future errors may otherwise occasionally appear; and--in reference to the apology based on the generally bad weather--almost without criticism of the West German media. There was simply nothing that could be done.

Could not something be done? Quite clearly all the fundamental changes in the status quo in Germany have not been placed in German hands. After all that we first did to ourselves and then to our neighbors in this century, I call that a merciful faint. And even below the threshold of basic decisions the dependence of the two German states on their respective hegemony is almost complete. The Germans can never force anyone into anything in the issue of their own question, not even to make that person happy.

But the dependence is only almost total; the possibilities for solely-responsible action are not great, but greater than zero. Thus, it is worth criticism if in Bonn, because of the intertwining of the inner-German problems with the international situation, disengagement is too quickly based on one's own situation of not being responsible. And it will become all the more necessary, the tenser the relationship is between the world powers, to permanently cover an exposed flank of our Germany-policy conception: by the consistent consideration of the question of how we at least can move--even if the GDR cannot or does not want to, case by case--below the international stimulus threshold, independently, without guardianship, every day, from one problem of detail to another.

Without embarrassing the GDR Bonn's unswerving goal must always be to have a better relationship with East Berlin, beneath the stimulus threshold of the Western and Eastern hegemonies, better than Washington and Moscow, respectively, have above their stimulus threshold.

In order to avoid any misinterpretation; there is no shifting here of all-German scenes, East Berlin cannot be separated from Moscow. My deliberations proceed on the basis of the reality of two German states for the foreseeable

future; from the sure view that Bismarck's centralized state and his national-liberal definition of the German nation will never exist again; also from the fact that the GDR--apart from guaranteeing European peace and its possible economic use which is to be gotten from us--has in many aspects of inner-German relations completely different interests than we have in mind. Yet there is a common denominator, even with bad weather.

At this point I fully intend to equate the GDR with its communist leadership. According to my understanding of the existing situation, with the courage to be unpopular among scene shifters to the extreme left and right, the middle must cling to the fact that the promising future development of inner-German relations in peace is only possible on the level of political powers, regimes, the governments of both states. Every refugee who has surmounted the German-German border seems to testify against this judgment. Yet it is nonetheless correct. Today it must be asserted against the Trotskyites of the left just as much as for decades against politicians and journalists to the right, for whom the national question of the Germans has been shortened to the anti-communist point. A rational Germany policy is the arduous effort to attain the Augsburg edict on tolerance without first having a religious war.

The West German peace movement will have to adapt to the political system by which our country is governed if it does not want to be inconsequential. I deliberately use the word "adapt," which today smacks of semi-treason, of something shabby. Let no one be deceived about how difficult it will be to rationalize the yearning for peace.

My prognosis for the peace movement remains skeptical; so many sulking corners are waiting to be filled. If they are to remain empty, then adaptation, which is not self-surrender, does not deviate from the goal, will be necessary. The peace movement should exert pressure, make the ghetto mentality of the Bonn people uncertain, demonstrate against Reagan's foreign policy. Objections to that strengthen my long-cherished suspicion that we are probably just the kind of republicans that the last king of Saxony saw in us. The peace movement must make public its arguments for basic new beginnings of a European security policy as long as necessary until the executor of the FRG policy in Bonn can no longer neglect them.

But the peace movement must become system-inherent. Unrest inherent in the system is the first duty of citizens today. The peace movement must have the strength to cope with the emotional intoxication which could only be followed by a hangover which then many sensitive responsible women and men would use to take leave of our political culture: a bloodletting which we can scarcely afford. It can be avoided only if the lackuster insight is gained that basic movements, no matter how they may warm the heart, cannot conclude agreements between countries.

A favorable development of inner-German relations and consolidation of European peace based on it cannot be brought about without the rulers in both German states. This reference also includes relations with the peace movement in the GDR. Does anyone think that the admonitions not to lose sight of the realities, not to repeat the mistakes of other peace movements before previous wars, not to dream, will be easy?

To be sure, to remain mindful of the realities does not mean accepting everything as unalterable reality which is passed off as such by politicians. We all are told many lies, every day. Several months ago that is how I began a speech in Berlin and went on to say: And every day we are also called upon to admire the emperor's new clothes, that web of nothing which in the fairy tale falls apart because a child was not blinded, so that finally the naked truth can again be recognized. Now I add: political realities can be changed, many must be changed. But at the end of this thorny procedure there must be a new, politically marketable reality.

The goal of the European peace movement must not be a utopia. Precisely in this corner is where many in the country want to see this movement, as soon as possible. Others will offer it their realities and guarantee that these can now no longer be changed, that more cannot be achieved. To find the middle ground between the motivating utopia and too early acceptance of political facts, which has not yet had a previous peace movement, will be the hardest.

The detent policy of the last decade did not produce the full yield which well-intentioned illusionists all too hastily were hoping for. But by recognizing the status quo in Europe it has set the--hopefully only gradual--change of the latter into motion. Most recently, since 13 December 1981 in Poland, in the minds and feelings of many undogmatic, leftist democrats the fear of a war has been competing with the need to want to be jointly responsible for breaking up encrusted structures in the Eastern bloc, too. This can cause priorities to blur; for example, those that even for a Poland under martial law, peace is to be valued more highly than a war of liberation of the type which one might expect in Europe today.

Many uncomfortable bitter self-limitations which offend ideals must be observed if attainment of European peace is to have the highest value. Rational adherents of the peace movement must say it:

Yes, we believe that for the present only in Europe do the political conditions factually and--don't hesitate to go on!--also morally make it possible to no longer include war in planning as a continuation of policy. Yes, we know that in other parts of the world, as must be feared, there will be wars for a long time yet because of the political, the social conditions. Yes, we know we are thus equivocating. No, that is not an ambiguous morality, rather it is the ability to weigh what is necessary and possible so that the price for that which is of use to man is appropriate.

Yes, we know that arrogance can be imputed to us because of that. No, we refuse to be convinced that there can be detente only if the world is undivided. We do not want Europe to adapt from the anticommunist crusade mentality to the dangerous conditions of tension in the world, rather we advocate a policy which gradually creates more islands of detente. This includes renouncing military superiority; this is most easily possible where--as in Europe--there are defined spheres of influence for the two world powers. No, we are neither communists nor their useful idiots. Yes, we consider co-existence with them to be possible.

Brandt's and Scheel's Germany policy had to prevail against similar imputations and misrepresentations--adorned for the purposes of foreign policy, but coined for domestic policy--just as the argumenting part of the West German peace movement must do today. It managed to survive and become functional. It will also survive the most recent increase in minimum exchange for trips to East Berlin and the GDR which was ordered when the Polish crisis broke into a gallop, when the subsidizing of Poland by the GDR began and the SED--which is like it is and not as we would very much like to paint it in our minds--subordinated all other interests to the security needs of its regime. This increase, which is a severe setback to our expectations in respect to inner-German relations, but not necessarily for those of the other side, must, at the soonest possible opportunity, be visibly compensated for by the GDR before it sees itself able to return to decreased socially graduated entry fees or other qualitatively high entry regulations, or creates new ones.

In this we shall have to be mindful of the fact that much that is offered as compensation from over there does not have this meaning; but also of the fact that we often undervalue some of that and some is advocated officially by the government. I have long since been of the opinion that--if the SED sees reasons for keeping West German visitors as far away as possible and we are not able to prevent them from taking corresponding action--the time has come to explore in a specific way, and not only occasionally discretely, what improved travel possibilities from East to West can then be granted. Some things have in fact happened in this direction--practically without public awareness on our side.

What we possess to exert pressure on the GDR can be candidly discussed in public because the GDR is also aware of it. I recently read in a West German newspaper in connection with the minimum exchange and credit swing the heading that Honecker is winning in this poker game. Why have we been playing poker with him if we in fact knew we did not hold any cards--behind our trite propaganda whose level we should not always continue to adjust to the level of that coming from over there.

The swing in inner-German trade is important for East Berlin. But in view of interest concessions by other West European countries to the GDR it is not of such great importance as we have using it for the past one and one-half years. The possible future denial of it or incisive reduction would point to an intention which makes the question urgent: Do we really believe that it is in the interest of the West if before long--in order not to mention Argentina--the entire Eastern bloc, apart from Soviet Union, goes broke in our sense? What do our large commercial banks say to that? Do they not include Jaruzelski in their prayers every night? What does it mean that we poured our good foreign currencies into the DGR's jaws? Are we making deposits to a numbered Swiss account for the members of the SED politburo?

I have been wondering for a long time what kind of moral acrobatics are necessary and possible on the right side of our political spectrum so that on the one hand the brothers and sisters over there can be mourned, and on the other hand their belt can be tightened. What are we paying to the GDR which we would also be paying in the event West Berlin were situated in the Lueneburg

Heath? We surely would not have negotiated with the GDR over a superhighway between East Berlin and Hamburg; travel conditions on the part of the other German state unfortunately are not so liberal that the project would have been worth while.

Almost all negotiations which I had to conduct with the GDR in over 7 years were carried out in terms of their substance for the benefit of West Berlin. Everyone knows that. But since the Germany policy has never ceased to be an intra-West German bone of contention, since it is misused among the parties for dogmatism and pretending a rigid position, it finds few objective supporters in Bonn above the officials' level. Egon Franke is one of them. And (in order to complete the circle) it will quickly be passed over in order to get to the agenda, until there is better weather or until the proof of interest for the Germany policy can even be used as an alibi for free-ranging party sentiments which one would like to oblige. That is regrettable. The Germany policy as a factor of detente which can promote peace in Europe requires an independent ranked position in Bonn, one which is free of private interests.

The dependence of inner-German relations on the relationship of the hegemonies of both world camps is almost total. But that also means that the possibilities for solely-responsible actions by both German states are greater than zero. In two points they can be independently politically active if they have the appropriate motivation.

First, they can influence the debate in their camp about further East-West policy, influence in respect to Washington and Moscow. Second, they can make a large number of useful inner-German controls below the level of international preconditions in so far as both sides consistently consider existing differences in interests--thus, also by doing without self-representations.

Is it believed that East Berlin cannot produce that much independence? Up to what kind of caricature, which insults our being of age, are the political events in the Warsaw Pact being drawn here at home in order to be able put them in the right perspective? Has the political culture of the FRG become so enormous that, for example, one speculates being able to offer our services if Mr Schmidt and Mr Honecker are telephoning one another, Honecker has a second receiver in hand in order to be told from Moscow what answer he must give to Schmidt? Below the described international stimulus threshold East Berlin is not governed by Moscow's pushing buttons. Above the threshold, there are certain all-German commonalities for East Berlin and Bonn.

For inner-German acts of independence--which cannot be based on the conspiratory expectation of driving a West German wedge between the GDR and the Soviet Union--an additional uncomfortable insight is to be sure necessary. Deliberations, offers in this direction must at least have their public start with us. As relationships exist, precedence for the GDR is scarcely even possible. The intellectual--and not always just the intellectual--advance work must be done by us. Is that too high a price for the development of inner-German identities, even under the conditions of national division which all too often produce tragic fates?

Since the independent capabilities of the two states are narrowly limited, operative errors in fully utilizing them must be carefully avoided. In my opinion it was wrong that Chancellor Schmidt cancelled his trip to visit Honecker in August 1980. At that time it would have taken place under more favorable conditions than later, a fact which was obvious at the time. It was correct to visit Werbellinsee in December 1981, a visit which was overdue for inner-German independence. It would be very helpful to arrive at a formal agreement with the GDR about regular consultations at the highest level, precisely in order to remove the weight of great expectations from such meetings.

But it was, in my opinion, a grave mistake that for a good 2 years the Bonn Germany policy was fixed on the meeting of leaders: first in advance of the trip in summer 1980 which was then cancelled; then in the public fixing of the hope of now--after the cancellation--being able before long to force down the minimum exchange in view of the new very certain chancellor's visit; then again in the preparation of the meeting which took place, preparation which in respect to the topic was concentrated totally on the healing hand of our leader; and finally, after Werbellinsee, in the essential subsequent damping of the erroneous speculations which in the preliminary phases are for the most part self-caused.

Every segment of this false path has cost real victims. Negotiations went to sleep so that they could once again be awakened by a kiss at Hubertusstock, Sleeping Beauty's castle. And in the end, everything was overshadowed by the most recent severe setback which publicly became the yardstick for every topic. The more comprehensive regulation, which was moved along on special channels, of the humanitarian problems of German division was what was nonetheless successful for the--mostly concealed--good fortune of many people on the occasion of the leadership discussion.

This analysis is not meaningless tarots after the fact. It warns of future repetitions of the same mistake. For no chancellor is the Bonn Germany policy a set of problems which, so to speak, can be mastered in a quarter of an hour at the leadership level. The meetings at the highest level must become routine; that is essential. But in the past 2 years, when looking at summit diplomacy with the GDR, we have made ourselves prisoners of our own Western system to which the other German state does not belong, as is widely known. We do know that even inter-Western summits usually produce few concrete results.

The quality of inner-German relations depends more strongly on four, five correct, reliable, realistic decisions per month at the middle work level which for the most part first remain out of public notice, than on assigning problems to summits which are ascended in the Western style: too much drum beating before hand (in fact, not only Egon Franke, but also others have publicly established vigorous connections between swing and minimum exchange); too much baggage while climbing; too much necessary explanation afterwards to the effect that the neighboring summit was the one being strived for. When looking upward, with public involvement, the danger for Bonn of self-deception is greatest--perhaps we are really not hard enough with the GDR, perhaps we must really pound the table once.

The two countries must always have something specific to negotiate; impending topics must never be delayed because of upcoming advancements. Without change the fact has applied since 1969 that precisely because of division no two states in the world have more cause for joint agreements than do the two German ones, and that we, pointedly stated, still have less going with any than with the GDR. There are enough possible topics in the framework of inner-German independence.

The prerequisite for a rational Bonn Germany policy was never--contrary to the imputations of its opponents--forbearance toward the GDR, not dispensing with hard negotiation, but rather just the insight into the conditions under which compromises are possible. And even more should be done: Why do parties in Bonn interested in this not offer the SED and the bloc parties of the GDR the opportunity to hold public discussion with them about European peace policy?

In this we would clearly be better off, we would be able to defend our position in Western Europe in a more determined manner if not every relevant tactic were excluded from our argumentation. In the question of a future European security policy, smartiness is becoming increasingly shorter of breath. On both sides of the Atlantic the demands--which in the past year were raised first only by individuals here--to redefine NATO and conceptionally to reflect on a possible return from the fall of the flexible response, are no longer only a reason for official and journalistically adapted shrugging of the shoulders. Even Reagan has started to react. Deliberations by individuals in Bonn to create strategic-nuclear guarantees of protection by both hegemonies for Europe to bridge the blocs, essentially point in the direction of repressing tactical nuclear weapons as a safety factor and instead to deter with a bigger club: the defense of the European combat area as if it were the citadel.

That will--in order to get to NATO--continue to be a very uncomfortable thought for the citadel, the United States. But some of their allies on this side of the Atlantic are clearly increasingly determined to repoliticize the missile discussion, adjusted to European conditions, to free it from the conditions of arrest which were imposed over it by the military experts in uniform and civilian clothes. Only: The so-called Harmel report about NATO's conception of self, which sought to combine detente and defense capability and about which there is once again talk in West-European offices here and there today, is no longer enough for the situation which now exists. It could too easily become a veil behind which people continue to cling to the mechanical unpolitical balance of nuclear weapons for Europe and thus once again postpone designing a new security guarantee for our continent, a guarantee which also is in the well-understood interest of the United States.

Postpone until what day? Reagan's new proposals for disarmament and the consistent, thus not completely negative answer by Brezhnev to it, are now putting the SPD, for example, into a difficult situation. Which other legends of the "stab in the back" must the SPD now, when looking at the negotiations between Washington and Moscow, still try to avoid if further years-long discussions with uncertain outcome have an affect on Geneva? A

new conception of NATO which can preserve the alliance, which frees Europe from false, tactical-nuclear thinking about balance, but also embraces West-European obligations toward the United States cannot be developed overnight. Now, what is being sought must be stated. The days of the smarties are, because of the issue, numbered. They will of course still think of some ways to obscure this fact.

Excerpts from the author's speech in Rastatt, on the occasion of awarding the Gustav Heinemann Prize to Egon Bahr, SPD disarmament deputy.

12124

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SPD, GREENS IN HESSE REJECT COALITION WITH EACH OTHER

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 10 Jul 82 p 4

[Article by Bernd Erich Heptner: "'What We Should Be Talking About Is Reforesting the West Runway'-- Lines Being Drawn by Each Against All/Even the CDU and the FDP Are Not Green"]

[Text] Wiesbaden, 9 Jul--The Hesse SPD has reacted vigorously to charges made by the CDU and the FDP that the Social Democrats have been making approaches to the Greens so as to be able to continue in power with their help after this fall's Landtag elections. The leadership of the SPD in Wiesbaden is working hard to draw clear lines of demarcation between its party and the Greens and to avoid any sort of collaboration. This effort has been made more difficult by the events in Hamburg which are looked upon by Hesse's SPD leaders as "unfortunate escapades." The Hesse Social Democrats are afraid that negotiations between the Green-Alternatives and the Hamburg SPD will cause their own attempts at demarcation to lose credibility. That this fear is justified is shown by the warning of the FDP chairman, Genscher, that the SPD is letting itself be kept in office by the Alternatives, though they had earlier promised the voters that they would not cooperate with them.

Such statements are regarded by the SPD Land manager, Giani, as "bad diversionary tactics." What is becoming a possibility in Hamburg is not possible in Hesse. Within the Hesse SPD there are clear political positions which are equally clearly rejected by the Greens. The policies of Minister President Boerner have the full support of unanimous executive council resolutions and clear majorities in the SPD fraction and from the party's congresses. Boerner, both personally and in his policies, has attained 75 percent majority support at party congresses. Giani pointed out that the Greens have declared Boerner to be their "number one enemy" and asserted, "I regard any cooperation with the Greens in Hesse at Land level, as the Greens now present themselves, as out of the question even after the Landtag election."

It must also be remembered that there are within the Hesse SPD leadership "enormous psychological barriers" to working together with the Greens. He called to mind the intensity of the confrontations over the west runway of the Frankfurt airport, the defamation of leading SPD political figures by the Greens, the slogan "Who Were the Rats? Social Democrats!" with which they tried to break up SPD party congresses, in the course of which they tore down SPD banners; he also cited the fact that the Hesse Greens had never disavowed

the use of violence. Giani did not exclude the possibility that there might be people among the 150,000 SPD members in Hesse who had been flirting with the idea of cooperation between the party and the Greens. In his opinion, however, their number was insignificant.

Giani's efforts at drawing clear lines of demarcation have also had their counterpart on the side of the Greens. The most recent statements of the Greens do not lead to the conclusion that they are willing to do more than "cooperate on specific issues" with other parties. Nonetheless it has to be taken into account that the Greens seldom speak with one voice and frequently shift their positions, that they too are engaged in an election campaign and have to take account of their image. The Greens, according to a recent statement by their spokesman, Schwalba-Hoth, see the nods made in their direction by SPD National Chairman Brandt as "a sign of the breakdown of the SPD," which is grasping at any straw in the face of their threatened loss of power. The SPD would only be an "acceptable partner" if they were to modify their peace, economics, environmental and social policies to suit the Greens. Schwalba-Hoth sees a grand coalition of the SPD and the CDU in Hesse as likely since both parties are of one mind on important Land policy issues.

The Hesse CDU has also advanced an even clearer demarcation, though in this case regarding the FDP. In the words of CDU Secretary General Kanther, the FDP's statement of its willingness to form a coalition with the CDU does nothing to change the fact that the CDU's primary goal remains a majority of the seats in the Landtag. The voters want "stable conditions and safe majorities" so that the "seesaw game" in German politics can finally come to a halt. Coalitions are not at the moment an interesting theme for the CDU--they can be discussed after the election, if need be. Kanther did make one reservation when he remarked that "a possible partner would be treated differently than would an avowed enemy," such as the FDP had been in earlier years. The secretary general was convinced that the FDP did not need any votes on loan from the CDU since they had made the "correct coalition declaration" and that the voters would honor this. Kanther stated, "The CDU has nothing to give away, we are pushing for every available vote for the CDU." This of course also meant that the CDU would in part be looking to attract the same voters as the FDP. In the opinion of the CDU, the election results in Hamburg have shown how important it is that the CDU be not only the largest party, but that it also dispose of a stable majority in the legislature.

What the Greens have in mind as "cooperation on specific issues" was illuminated by their speaker with the first resolution which the Greens, certain of their entry into the Land Parliament, propose to introduce to the Hesse Landtag. They want to declare Hesse a "nuclear weapon free zone" with their motion. They believe that they can count on the support of other parties in the Landtag. Support from the CDU would suit them as much as that of the SPD. The Greens do not want to be involved in compromises "on vital issues" which they see for example as the west runway and nuclear energy. "We're not going to get into any horse trading," assured Schwalba-Hoth; their support for a major project could not be had in return for abandonment of another. There could, however, be discussion "about the date for the reforestation of the west runway." In his words, Boerner is "no discussion partner" from the SPD for

the Greens; Boerner was said to have "discredited himself with his nuclear and reinforced concrete politics." There was no common basis for an exchange between him and the Greens.

The Hesse FDP has also shown its irritation with its national secretary general, Verheugen. Since the latter's efforts to make the Greens appear respectable and his remarks about the possibility of working with them "on specific issues," the Free Democrats have had to start over from scratch in drawing a line respecting the Greens, although they had thought to have done an adequate job on this point in the past. The FDP in Hesse has therefore been put into a difficult position because they, like the CDU, are not convinced that the SPD, despite all protestations to the contrary, will not entertain the idea of cooperation with the Greens. This indication is something that the Hesse FDP can no longer easily cope with if their own party is flirting with such thoughts at the highest national level.

9878

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SOME IN SPD SEEN PREFERRING OPPOSITION ROLE

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 23 Jun 82 p 10

[By Helmut Herles: "The SPD and the Enticements of the Opposition"]

[Text] Not just a few in the SPD feel and act as if they are not the bigger governing party, but rather the opposition. Even a part of the specific difficulties of the Union and the SPD can be explained by the fact that in the history of the FRG the one group was the first governing party, and the other the first opposition party. Thus, the historical experiences of the two large people's parties are at the same time political markings from "early childhood": the Union as a typical governing party and the SPD as a born opposition party. Naturally the respective ways of thinking during the long period of SPD governing and the CDU/CSU's long period as opposition have long since blended together, thus, in the Union there are typical opposition politicians and in the SPD confirmed government politicians. Moreover, via the distribution of power of federalism, the mixed system of government in the FRG sees to it that rarely at all levels is one party only opposition or only the governing party; in this connection in the event of an end to its governing responsibility in Bonn the SPD at present would, because of the decline of its strongholds in the cities and Laender, be more powerless than during its period as opposition between 1949 and 1966.

Adjusting to Attitude Changing

In recent time in the SPD the trend seems to be growing toward becoming the opposition. In this respect these are not only the ones, young and old, who remember that their party emerged in the last century purely and simply as the opposition, as resistance to terrible conditions, social abuses, against "the" rich, against the state of that time. Politicians, who even in the opposition appear as statesmen and during their visits in Bonn are protected like government people and drive up in suitable limousines, are also beginning to change their attitude. Of course, it is almost dogma that the SPD can do justice to its "historical responsibility" only as a governing party. Even comparisons from history are stretched to the limit to show that, for example, after the end of the last social-democrat chancellor of the Weimar Republic Hitler came. It likewise is the opinion of almost all those in the SPD, even if they do not act accordingly, the Schmidt is a better chancellor than Kohl, that their foreign policy as a peace policy must not be left to the Union although the Union long since without illusions adopted the basic features of the detente

policy in the East just as the SPD on its road to becoming the governing party previously had to take on the basic features of Adenauer's West policy. But not only actual or alleged concern about foreign policy or about the agreement of internal and legal policy with the FDP causes the governing party to struggle within the SPD against its own resignation.

From the change of the SPD into the opposition politicians like Wehner croaked about being infected by the "English disease"; that means that that which actually unites the SPD under its roof, namely at least two parties, is breaking apart and that then possibly there will be not only socialists and social democrats left over from the SPD. Wehner's life work consisted in making the SPD able to govern via the coalition with the Union, which was at least as important to him as adoption of the Godesberg Platform. Even Chancellor Schmidt can scarcely, on the basis of reason, cling to the opposition although his feelings frequently press him to "throw in the sponge," against which obstinacy rebels that the FRG has inadequately valued his accomplishments when compared to those of the world's statesmen. And Schmidt's life dream may be to become as old as Adenauer or his father and then to govern for a comparably long time; nonetheless, after the first chancellor, he is the one who has governed the longest and while in NATO was in a position to study the coming and going of government heads. But after a "period of coming down" he would scarcely be unhappy to quietly write a book as the summation of his life accomplishments.

Things are different with Brandt. He was chancellor and now feels just like the title his coworkers have given him: "the chairman." His concerns apply to the whole world, the Socialist International and the North-South conflict more than to conditions in his own party. After his myocardial infarction and a new private commitment he "no longer" intends "to let himself be upset by ordinary seamen," and that is how he acts. He was not present at Reagan's speech in the Bundestag because at some time or other Reagan did not receive him. He was not present at the speech of the old Social Democrat mayor of Hamburg, Professor Wiechmann, on the occasion of 17 June because Weichmann showed that not only Coppik and Hansen emerged from the SPD. But Brandt seems to behave in such a way that he is no longer first the former governing mayor of Berlin and the former chancellor of the FRG, but rather that he tolerates the native opposition spirit of the SPD right into its late-puberty manifestations and often seems to embody it himself. In Brandt's case this is stronger than his efforts to ease the lot of the SPD as the governing party, a lot which was rather unpopular in his own party and increasingly less honored by the voters. In this it can scarcely be known whether and how Brandt is preparing his party for the day when it is the opposition in Bonn. In any case, however, he conveys the basic attitude that one must not "hang on to offices," especially since he experienced this in his own life and even for a long time was an example of how a predecessor can keep company with the successor. But he must bear the responsibility for the fact that the SPD under his leadership increasingly became a "party of both-and," both Eppler's and Schmidt's, for example, that it is green for the Greens and softsoaps the workers movement with Boerner.

Further indications of preparation for being the opposition are resolutions by the party convention which are of less value for their ability to compromise in a government with the FDP than for refurbishing its own program, the

revival of a thick-skulled social-democrat self-consciousness, including drawing on its own prop room. In Munich there was also a decision which likewise had to do with the thought of being the opposition: Hans-Jochen Vogel renounced his sure election as deputy party chairman in favor of North Rhine-Westfalian Minister President Rau. At the time of his arguments was, in case the SPD becomes the opposition in Bonn and--with the exception of the deputy chairman to be newly elected--the artfully-artificially balanced present party leadership collapses anyway, then suddenly there would no longer be anyone left who embodies government responsibility in the SPD opposition party and who, with his experiences in office, would be able to see to it that the comrades in their resolutions leave the "cups in the cupboard" as one of their typical government politicians, Karl Schiller, had warned them once before. Vogel has personally had the experience that not unconditionally does being an opposition politician totally alter the consciousness, but no one comes away unaffected if he no longer has any office apparatus which is tailored to suit him if the future prospect of politics change. Thus, many a more recent change in Vogel's life in the short time since his renunciation of the role as crown prince in Bonn, the change from the short official trip as governing mayor to possibly long opposition may be understandable. Yet Vogel offers his party an example of how in the opposition one can remain such that the voters and members never forget having to do with a former and possible future governing party. Many of the explanations and speeches by Vogel, most recently the balance sheet about a year of opposition, in the SPD newspaper BERLINGER STIMME [Voice of Berlin] in May read rather like thwarted government explanations with all the added polemics of duty of an opposition party.

More Left Than Free

Whether with the precaution of preparing the soon possibly last SPD government person next to Koschnik as a new leading figure for the plunge into the opposition with Rau, and with the example of political culture as provided by Vogel, mutations of the SPD can be avoided is unlikely. Presumably then not only struggles for the few jobs which are to be given out, such as the party chairmanship in the Bundestag, will flare up, the plans which were held back to rewrite the Godesberg Platform will be pursued. Probably those in the SPD who now and for a long time have been the "opposition" will gain the upper hand, not only against Schmidt. Then the SPD will be as revealed by Brandt in the section of his recently written book about his private and political path from the 1930's into the 1960's, "left and free," but probably more left than free.

12124

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HAMBURG ELECTION AFFECTS SITUATION IN BREMEN

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 22 Jun 82 p 5

/Article by Wolfgang Heyen: "Will Bremen's 'Broomstick' Sweep in 1983, Too?
Election Shock in Hamburg Causing Waves"/

[Text] The Hamburg shock about "ungovernability" of the city-state on the Elbe River has caused waves which are even stirring up the water of the Weser River in Land Bremen. To be sure, the Hanseatics in Bremen will not be going to elect a new City Parliament (Landtag) until the fall of the coming year, yet even now a certain nervousness is definitely noticeable among the governing Social Democrats who are governing alone under Mayor and Senat President Koschnick. At the same time, the Free Democrats, who have been persisting in the opposition in Bremen since 1970, accuse party friends on the Elbe of "errors." Only the CDU, with its Land chairman and opposition leader Neumann, feels encouraged by the election result in Hamburg even if it is still not clear that the Bremen Christian Democrats might be able to come up with a similarly popular leading candidate like Kiep in Hamburg or von Weizaecker in Berlin against Koschnick.

The wind is blowing in Koschnick's face. Unemployment (especially among the young people), state indebtedness, difficulties in full utilization of the shipyards, a very poor record of success in attracting new industrial enterprises, which do not depend on ships, for the purpose of straightening out Bremen's economic structure or in relocating parts of the Hapag-Lloyd conglomerate--these are just some of the city-state's nearly insoluble problems. Moreover, the Kloeckner smelting works in Bremen is threatening to be a grave problem because of steel quota regulation by the EC.

In the question of the shipyards--Bremen is involved in one of the large shipyards--sharp attacks on Koschnick's Senat are coming not least from the camp of the trade unions and the work councils. These are demanding that the state prevent further deterioration of the situation and secure jobs through its capital influence. Words of the "Polish spring" in Bremen resounded at Koschnick during a "metal forum" with trade unions and work councils. Koschnick for his part came back with a counterthreat: "For me the Polish spring in Bremen is not a threat.... If colleagues in the factories and especially the shop stewards of IG Metall [Metalworkers Union] and OeTV [Public Service, Transportation and Communications] believe that I no longer adequately represent them, then I shall quit."

Does Koschnick fear an uprising in the "foundation" of the Bremen SPD such that he must resort to such massive means like the threat to resign? Are the opinion polls, according to which the Social Democrats on the Weser would receive only 35 percent of the votes if there were an election in Bremen now, getting to him? The well-worn word of the "broomstick" is flitting through Bremen, which as a result of Bremen "twaddle"--complete with the inscription "SPD"--thus far has supposedly been enough to cause the majority of the voters to elect an SPD Senat. Is this tradition-rich "broomstick" in Bremen no longer attractive enough?

Wedemeier, fraction chairman in Bremen, is encouraging both himself and the Bremen SPD. Wedemeier, who is known as Koschnick's potential "crown prince" in no way conceals in this connection that even in Bremen the SPD is "affected by its nationwide loss of confidence," that the number of protest voters seems to be growing, yet the Bremen CDU--in contrast to other laender--has not managed to make the essential capital out of this loss of confidence in order also to obtain only approximately equal chances as in Berlin, Lower Saxony or Hamburg. Moreover, he praises his government boss Koschnick in spite of many political attacks of weakness in recent times and claims that the latter has a far more convincing personality and "local affection" than his party friends Vogel in Berlin or Dohnanyi in Hamburg. Finally, Wedemeier hopes that until the election in Bremen any further negative influence from the Bonn coalition will not have an effect on the SPD, for by then the coalition must "either have settled down or dissolved itself." Even from the splitting of the "Greens" in Bremen Wedemeier comes to the conclusion that in September 1983 in Bremen the election results will be different from those now in Hamburg.

Meanwhile, the Bremen CDU, in view of the success of its party friend Kiep in Hamburg, confirmed its position that it also wants to take over in 1983 without "importing" a leading politician. Its chairman, Neumann, will "with great likelihood" again be in the campaign and a leading candidate, and even without an "import" from Bonn he hopes for an election result similar to that in Hamburg. Moreover, Neumann believes that "imports" of leading politicians might be hard to harmonize with the Bremen "mentality." Nonetheless, if the CDU fails next year in Bremen, Neumann might likely give up the leadership of the smallest land association and seek a mandate for the Bundestag.

Against this background the Bremen FDP should "not get nervous." Bremen FDP chairman Lahmann gave this warning in front of delegates of his party after the failure of his friends in Hamburg. Of course, Lahmann did not conceal elsewhere that he views the defeat of the Hamburg FDP as a "menace" although the Bremen FDP, after similar phenomena in the past in Lower Saxony and Hamburg, has always produced better results. The esteem of the Free Democrats overall has in fact suffered from the "decline" of their Bonn coalition partner, the SPD. In this respect Lahmann criticized the Hamburg FDP because through its unclear coalition statement it awakened the impression that it wanted "to be involved in governing in any case--no matter with whom." However, in Bremen the FDP will "not" govern "at any price"--decisive is always that the political basic demands of the Liberals remain untouched.

Lahmann, who is also a member of the presidium of the national FDP, underscores this principle even after the decision of the Hesse Liberals in favor of the CDU. To this newspaper Lahmann said that a purely "Land political decision" had been made in Hesse. His party friends in Hesse are "sovereign," and the Bremen FDP intends to remain just as sovereign. Moreover, "coordination of coalition statements" implies "something unnatural." In this connection he was referring to the fact that the FDP formerly governed for 20 years in Bonn with the CDU, but in Bremen with SPD. It is high time that such constellations are once again viewed as normal and that this not lead to the reproach of opportunism.

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CSO: 3103/535

BRIEFS

NUCLEAR WAR EFFECT ON FINLAND STUDIED--The Ministry of Social Affairs and Health plans to appoint a group of experts in medical science to investigate the medical consequences that a possible nuclear war might have in Finland. This was announced on Thursday by Vappu Taipale, the new minister of social affairs and health. The purpose, she said, is for the task force to consider the question from a "civilian" standpoint with special emphasis on the consequences for children, old people, and other groups at risk. During her first day as minister, Vappu Taipale also met with the chairman of the International Movement of Physicians Against Nuclear Arms, Prof Bernard Lown. The minister and the professor stressed in particular how important it is for citizens to take the initiative themselves on behalf of peace and against the use of nuclear weapons. Minister Taipale emphasizes that the citizens are entitled to receive objective information on the devastation that a possible nuclear war would cause in Finland. That is the information which the task force will try to put together. [Text] [Helsinki HUFVUDSTADSBLADET in Swedish 2 Jul 82 p 7] 11798

CSO: 3109/197

'AKROPOLIS' RAPS COMMUNIST PRESS OVER CIA

Athens AKROPOLIS in Greek 18 Jun 82 pp 1, 7

[Editorial] Yellow (and red-yellow) journalism has told us up to now that the CIA was responsible for everything. For every coup, war, assassination, plague, famine, earthquake, sinking, for every evil, anyway, that happens anywhere on our planet and beyond it. Storm? Typhoon? Cold or heat wave? Smog? Traffic jam? Water stoppage? Bank employees strike? Demonstration of non appointed employees? The CIA. Turkish provocations? Lebanon? Falklands? Drugs? Beltway? The finger of the CIA! (If you ask about the KGB they will tell you: "CIA invention!").

Faithfull to the red-yellow tradition, the pseudo-titled afternoon daily RIZOSPASTIS has made a new shocking revelation. Do you know who is responsible for the accusation that it has been and is financed by Moscow? Who else? The CIA! Proof? Not needed. A correspondent of Moscow's RIZOSPASTIS who knows by heart all the mysteries of this diabolical organization, the CIA, has reported it.

Now, this terrific counter-spy went to Hamburg. And there he met with former CIA agent Philip Agee who, even though has severed all contacts with the agency more than ten years ago, "knows" that it "fabricated" the information that nine months prior, Moscow had financed the aforementioned Athens newspaper.

How does he know? Because, he says, he accusation mentions 140 million dollars. And it is impossible that Moscow would allocate such a large sum for publishing a newspaper in Greece. "The liar is trapped by his own words." Because the FOREIGN REPORT mentioned not 140 million, but 1.8 million dollars! Therefore either the great Agee knows not what he is talking about or the amount of money is "prohibitive" for Moscow.

But who is the defender of the pseudo-titled daily? An individual who was denounced by the international press (N.Y. TIMES, WASHINGTON POST, DAILY TELEGRAPH, etc) as a Russian espionage agent. He never sued his accusers. His passport was revoked by the USA. He was deported from England. France arrested him and expelled him from its soil. Holland did the same. He finally contracted a marriage of convenience so he could stay in Hamburg, West Germany. This is the trustworthy subject who undertook to prove the innocence of the Greek-language afternoon newspaper, RIZOS, with the argument of the 140 million dollars!

There is a second defender though! A Cypriot named M. Evriviadis who surely does not know anything about the specific subject. But he also knows how the CIA works. (Where did he find out?) It is all very tidy. One has but to read his revelations in order to forget the FAP [Real Estate Tax], the smog, the prohibitions to his free circulation, the beltway siege when traffic is banned, everything. He will laugh. Because more laughter is provoked when he who provokes it is unaware that he is being ridiculous and believes that he is speaking seriously.

We understand the agony of the afternoon red-yellow impostor. It should be careful because with such defenders it does not need any accusers.

9731

CSO: 4621/409

ALLEGED SCANDALS IN EMBASSIES ABROAD TO BE INVESTIGATED

Inspector General Investigates

Athens ELEVTHEROTYPIA in Greek 17 Jun 82 p 18

[Text] The administration of the Ministry of Foreign Affairs appears determined to put an end to the illegalities which take place in areas involving diplomatic and administrative employees and has already ordered the carrying out of administrative inquiries under oath for three serious scandals. While at the same time, it is investigating the matter of draft evasion among sons of diplomats who serve at the ministry.

Specifically, the Inspector General, Ambassador Skalieris is conducting an administrative inquiry into:

An incident of foreign currency smuggling at the Madrid embassy during the tenure of Ambassador Tzon Sossidis, who is presently serving in India. The incident involves the exchange of dollars into local currency without the existence of the indispensable exchange cards of the bank of the known "bordereau."

At the same time, the matter of the operation of a "network" of administrative employees of embassies in foreign capitals who accepted bribes to issue illegal certificates and to grant illegal passport visas.

The matter involves a large sum as a whole.

Finally, an administrative inquiry is under way for the incident of an ambassador, who during his service in Stockholm, exploited his diplomatic status and transported items which he obtained in another capital.

The Draft Evaders

Finally, Deputy Minister of Foreign Affairs, M. I. Kapsis is engaged in the matter of draft-evading by sons of diplomatic employees. He asked that an examination be made of the certificates of the draft evaders to determine under what circumstances they obtained their deferments and, in the event of illegalities, that they discharge their military obligations in the regular manner.

It is to be remembered that the normalization of the subject of draft-evading diplomats was part of the pre-electoral promise of the PASOK. This serious matter had been the subject of debate and questioning by the then official opposition in 1980.

Charges Refuted

Athens AKROPOLIS in Greek 20 June 82 p 18

[Text] The Union of Diplomatic Employees protested to the Deputy Minister of Foreign Affairs, Mr. Kapsis, for the announcement made by the government that employees of the ministry are under prosecution for foreign exchange smuggling and receiving bribes for passport validations.

The Union protested because the announcement was vague without the names of the accused being mentioned. Thus, the impression was created that the employees of the Ministry of Foreign Affairs and particularly those of the diplomatic service are of lower moral standards.

The Union emphasizes that if certain employees are charged with recklessness, this does not mean that the entirety of the personnel must be dragged in.

In addition, the employees of the Foreign Affairs Ministry are uneasy over the composition of the commission which will form the new organization of the ministry because only two employees of the Ministry of Foreign Affairs are part of it--and they are devoted PASOK members--and three outsiders who cannot know of the problems and peculiarities of the diplomatic service.

Another reason for uneasiness is the attempt to establish a climate of terror in the Ministry of Foreign Affairs with indirect pressures with the aim of subjecting the diplomatic and other employees to the wishes of the party machine of the PASOK. This is in contrast with the practice which until now considered the diplomatic employees as non-partisan, devoted to the promotion of the national interests according to the instructions of the government in power, regardless of their own beliefs in them.

Finally, it is emphasized that another attempt was made by Mr. Kapsis who last Monday sent to certain select employees a letter demanding to know the reasons used to qualify themselves as permanent residents abroad and were thus allowed to defer their military service.

9731
CSO: 4621/409

BRIEFS

DEPUTIES VISIT GDR--A delegation composed of Deputy of the KKE Konstandinos Vasalos, Attorney Theodoros Theodorou, special counsel to the minister of Labor; Attorney Giannis Kassaras; Attorney Konstandinos Politopoulos, special counsel to the minister of Civilization; Attorney Byron Polydoras, deputy of ND; Professor of the Polytechnic School of Patrai University, Stathis Theodoros, deputy of PASOK, departed for East Germany at the invitation of the GDR-Greek Friendship Association. The members of the Executive Council of the GDR-Greek Friendship Association, Giorgos Kyriazis, graduate of Social Sciences and Evangelos Palaiologos, engineer are also part of the group. The purpose of the visit is to gain mutual knowledge and develop friendship among the two countries. [Text] [Athens RIZOSPASTIS in Greek 22 Jun 82 p 7] 9731

CSO: 4621/409

'NEPSZABADSAG' INTERVIEW WITH MALTESE CP'S VASSALO

AU151430 Budapest NEPSZABADSAG in Hungarian 14 Jul 82 p 3

[Interview with Anthony Vassalo, secretary general of the Maltese Communist Party, by Jenő Farago: "For Us, Nothing Is More Important Than Peace; Statement by the Secretary General of the Maltese Communist Party for NEPSZABADSAG" in Valletta; date not specified]

[Text] Although, as far as the number of its members is concerned, the Maltese Communist Party does not represent a considerable force, owing to its widespread and extensive international relations, it is fulfilling an important role in the international workers movement, in addition to which, its influence on the country's policy is growing. Our reporter discussed the party and its political pronouncements on the current domestic and foreign political situation with party Secretary General Anthony Vassalo in Valletta.

[Question] What does it mean to be a communist in independent and free Malta today? What social strata constitute the party's base?

[Answer] Like myself, most party members began with the Labor Party. The struggle for the country's independence kept us united even when several of us espoused communist principles. Since it became independent, social conditions have changed in the country, so that it was possible to establish the Communist Party. From the beginning, we strove to influence the Labor Party government--primarily toward improving the working and living conditions of the working people. In our opinion, the policy of the Labor Party government rests on a social democratic basis, and we are against such a formula. Hence the demand and need for the establishment and existence of the Communist Party. We oppose the concessions being made to domestic and foreign capital and want to resolve the country's social problems on the basis of socialist concepts, primarily with consideration of the interests of the workers class and the working strata.

[Question] On the strength of all that, what position did the party assume at the elections of last December?

[Answer] We did not want to take votes away from the Labor Party, we wanted to prevent a division of the democratic forces. All the more so because, through a reactionary class policy, the Christian Democratic Party, which represents the capitalist class, and the Nationalist Party, which is supported by the

church, would like to divert our country from the path that leads to progress and socialism. We analyzed the country's political position prior to the elections and found the Labor Party government's activity negative in several respects. Unfortunately, the election results have confirmed our misgivings. Those who became disappointed with the Labor Party have turned their backs on it, so that, in terms of percentages, the Nationalist Party obtained the most votes. It lost voters among the workers and small artisans, as well as working people employed in the service sectors. However, on the basis of constituency quotas, the Labor Party was able to retain its parliamentary majority.

[Question] What is the Communist Party's appraisal of the Labor Party government's foreign policy and what is its attitude in that respect?

[Answer] Although we criticize the government on certain domestic political issues, we support its foreign policy and concur with the policy of nonalignment, which, in our opinion, is most consistent with the country's interests. We regard the Labor Party's foreign policy as positive, because it is fulfilling a very useful positive role in the Mediterranean area. Following the departure of the British, the economic transformation, accompanied by the crises besetting the world economy, is causing many problems, and, under such circumstances, relations with the European countries are very important. However, they are only possible under peaceful conditions.

[Question] To conclude, please say a few words about the Communist Party's international policy and relations.

[Answer] Nothing is more important for us than preserving peace and security, and we are doing all we can to that end. As for the tensions of the Mediterranean area and the Middle East, our position on resolving them is definite and clear. We support the struggle of the people of Cyprus against military bases, as well as that of the Italian working people against the establishment of missile bases on Sicily, which is very close to us. These would be not defensive, but offensive weapons. We support the struggle of the Palestinian people for their own homeland and human rights. We condemn Israel's Lebanon aggression, and we renounce a military solution of disputed issues.

As for our party's international relations, they are extensive. Regular bilateral meetings are taking place. We hope that there will be additional opportunities to further develop relations with the communist parties of the socialist countries as well. Our starting point is that, even if there are disputes among the communist parties, they must be constructive, avoiding any intervention in other parties' internal affairs. I am convinced that, in the present tense international situation, the unity and collaboration of the communist and workers parties constitute an indispensable prerequisite for preserving the security of mankind and world peace.

CSO: 2500/319

PAPER VIEWS VAN AGT BID FOR STABLE COALITION

PM121507 Rotterdam NRC HANDELSBLAD in Dutch 6 Jul 82 p 7

[Editorial: "No Time Bomb"]

[Text] Almost immediately after being selected to head the Christian Democratic Appeal's [CDA] list of candidates and after the publication of the CDA election program, Prime Minister Van Agt has begun to draw up the battlelines for the next set of government formation negotiations. In accordance with what has almost become a firm habit for him he did so abroad, where he is more open-hearted in his dealings with Netherlands journalists than he is in his own country. As long as the prime minister and the CDA's leading candidate also has the "part-time job" of foreign minister, we will probably have to take regular account of such an interesting voice from afar during the election campaign and--after the 8 September election--the cabinet formation process.

In Cairo, where Van Agt is paying an official visit, he made it clear--when talking about the question of the possible future deployment of cruise missiles on Netherlands territory--that he does not want another "agreement to disagree" between the coalition partners in the next government accord.

In other words: Van Agt does not want to allow a new cabinet to begin its work in the sure knowledge that it will self-destruct as soon as it has to reach anything other than a negative decision on deployment. Or in even other words: if the Labor Party [PVDA] sticks to its categorical rejection of this part of the NATO December 1979 dual decision then it is not welcome as a coalition partner for Van Agt.

However, the prime minister is prepared to go far enough to meet the PVDA in that he has given it an opportunity to turn its only remaining "battle cry" into an "open question."

According to this scenario the PVDA ministers in the new cabinet would not have to cause a crisis if there were to be a positive decision on deployment, and the PVDA would have to bow to the second chamber's judgment in the matter. But, bearing in mind the feelings in the left wing of the CDA parliamentary group and among a very large number of Democrats '66 [D'66] on the subject of the cruise missiles in the Netherlands, it is by no means certain that such a cabinet decision would gain an absolute parliamentary majority.

But nevertheless it is unthinkable that the PVDA would be able to accept this offer from Van Agt and the prime minister knows this well. The rejection of the deployment of cruise missiles is for the PVDA a major concern no matter what the negotiations on such arms between Moscow and Washington may bring. The new PVDA election program also excludes the possibility of any discussion or revision of this position. Or, as former foreign minister Van der Stoel recently put it in an interview with VRIJ NEDERLAND, "It has become a sort of Article 31 [reference unknown].

Obviously Mr Van Agt is assuming that after the coming election the CDA will be able to form a majority coalition with the People's Party for Freedom and Democracy; this scarcely surprising conclusion can also be drawn from his remarks in Cairo. It also is possible that D'66 "may" reinforce such a coalition, at least, if the voters do not decimate this party too much, Van Agt added in Cairo with somewhat suspect kindness.

Despite all the stir Van Agt's Cairo statement will cause in the PVDA, D'66 and the left wing of the CDA, it is not without its logic. Given the chronology of the deployment of cruise missiles envisaged in the NATO dual decision, according to which the Federal Republic would have to begin actual deployment by the end of 1983 and the Netherlands by the end of 1986 if this turns out to be necessary despite the negotiations in Geneva, there must be greater clarity on the issue in a government accord for the coming cabinet period than there was last year.

There should be no repetition of the inclusion of a political time bomb in a government formation accord. It would not do anything to help the Netherlands' position on the world political stage or the homogeneity of a Dutch cabinet which will have to reach a number of extremely weighty decisions in other fields.

CSO: 3010/195

DIFFICULT POSITION OF D'66 PARTY EXAMINED

Rotterdam NRC HANDELSBLAD in Dutch 14 Jun 82 p 7

[Article by J. M. Rik: "D'66 [Democrats '66]: Look, we do not represent what we are"]

[Text] When D'66 jumped from 8 to 17 seats in the Second Chamber, over a year ago on 25 May 1981, the CDA [Christian Democratic Appeal] chairman, Bukman, spoke scornfully of a "parking lot" which a large part of the voters had selected. In a little over 3 months, on 8 September, elections for the Second Chamber will again take place and there is a good chance that D'66's parking lot will be left in a rather wholesome fashion. There is much adversity to be expected in a party which fears internally now that it may not count on more than about 5 percent of the votes, but which since the appearance of the third Van Agt cabinet, besides 17 members of the Second Chamber also has 5 ministers and 2 secretaries of state in its membership. Where must all those people now go?

The Democrats cannot rely on large groups of more or less "taken for granted" voters such as the country's three largest parties can do to a certain extent.

That constitutes a great deal of its electoral vulnerability in situations such as the present. Especially the party's profile with those voters, who still are not so sure about it all, is important. As for that, the second Van Agt cabinet in which D'66 would function as a moderate bridge builder between CEA and PvdA [Labor Party] was an ideal solution which D'66 consequently very earnestly desired. From the standpoint of platform closer to the CDA, intellectually closer to the PvdA, it would be in the middle of the bridge still with sufficient distance from both sides.

Now, the bridge did not hold. Meanwhile D'66 stands beside the CDA in the third Van Agt cabinet in fact and apparent to everyone. It involves cooperating in carrying out the spring report decision of last 11 May and in drawing up the 1983 budget. The PvdA will no doubt say hard words about that in the election campaign. Indeed that already began this week in the Second Chamber, when VVD [People's Party of Freedom and Democracy] group leader, Nijpels, enjoyed listening to colleagues Meijer (PvdA) and Brinkhorst (D'66) go at each other in the discussion about the government's statement.

It was about what (and who) is now progressive, who now has left who in the lurch, who shows lack of responsibility, etc.

It is also difficult to remain "respectably left" in the unpopular company of the CDA, while on the opposite side of the water all other leftist parties speak of treason. The unanimity is so great on that side that the PvdA group made no bones last week about supporting a CPN [Communist Party of the Netherlands] vote of censure (rejected) of the interim cabinet. Moreover, it is a voting behavior of the PvdA group which can be called more consistent than reasonable, and that could still appear in the election campaign. A motion of censure perhaps could offer a way out.

Minister (and leading candidate) Terlouw and group leader Brinkhorst have recently emphatically advocated that D'66 not again immediately veto in advance--as in 1981--government cooperation with CDA and VVD.

Their standpoint is very justifiable in view of the recent program agreement with the CDA, which appeared so dramatic, about the spring report decision and the program differences with the PvdA which appeared on the same occasion. Again a more or less fundamental assurance that after 8 September one will only govern in a coalition in which the PvdA appears, after it was decided the previous month to govern only the CDA, how many voters could or would understand that? Moreover, and three cheers for logic, if something is not excluded (for example, a coalition with the CDA and VVD) then that is still not included.

What it will become must still appear, but it is a fact now that many members of D'66 would like to explain from one side of the water to the voters that they really would like to be on the other side (namely with the PvdA). Just look, we do not represent what we are, one could talk about that in many ways.

Who says that isn't clear?

No, then it appears better to prefer a reasonable position suitable for the still prevailing Netherlands electoral system: we draw up a program, ask the voters' support for it and afterwards inquire (in the formation) whether and with what parties that can be carried out as well as possible. Whoever argues against it that such is now precisely the traditional "vague" CDA position which D'66 has combatted since its founding, may feel comforted in the knowledge that the PvdA is probably going to occupy the same position. That was at least to be concluded recently from the words which W. Meijer devoted to the question in the name of the PvdA group. It is a strategy with an old novelty.

D'66 has especially gained ground in the previous Second Chamber elections at the expense of the PvdA. If and insofar as D'66 prefers cooperation with the PvdA, so every D'66 member has it on the tip of his tongue these days, that will only be with a PvdA which will follow a practical policy with a realistic program.

The paradoxical factor of this starting point, which in itself is so understandable, lies in the fact that if the PvdA shows the desired realism, it will probably win back considerable voters from D'66 and in so doing will make the Democrats less interesting for everyone as a coalition partner. On the other hand, it is true that if the PvdA becomes more radical, moving further from the political center, it would no longer be desired as a coalition partner by D-66--which can exist then under more favorable electoral conditions. That means, in the last case, that D'66 is dependent on the CDA and VVD for governing.

It is difficult, it remains difficult. All kinds of strategic discussions will not solve the problem. The most important question for D'66 will be answered in the coming weeks and months in the PvdA. The question is namely whether the PvdA will put its left hand on its own throat or--with the realism which the Democrats ask--its right hand on D'66's throat.

Note: This column was written for last Saturday's newspaper, but because of an unforeseen lack of space, it only could be printed today.

8490

CSO: 3105/184

AIDE TO BALSEMAO CRITICIZES STALEMATE BETWEEN PM, EANES

Lisbon O JORNAL in Portuguese 16 Jul 82 pp 6, 7

[Interview with Marcelo Rebelo de Sousa by Carneiro Jacinto, during week of 11-16 July 1982; place not specified]

[Text] "I think that Dr Pinto Balsemao will be the first one to refute those who claim that he will cling to power, and will prove incapable of making his positions, whether as prime minister or as president of the party, available, at the time of the Congress, so that the debate may take place without deviating, in personal terms, from the level that it should have."

The comments are those of the minister for parliamentary affairs, in an important interview granted to O JORNAL this week. Marcelo Rebelo de Sousa comments on the letter of Eurico de Melo and Cavaco Silva, reflects upon the current status of AD [Democratic Alliance] and claims that there is a conflict of plans between Eanes and AD. The government strategist comes up with the idea that it is necessary to begin preparing for the 1985 presidential elections, and also that AD should reconsider the program and review its strategy.

O JORNAL: There are some who say that Dr Marcelo Rebelo de Sousa made the "critics jump" and was behind their assumption of a public position. What is your comment?

Marcelo Rebelo de Sousa: Beginning with the background and, specifically, those to whom I had access, in fact, a week before the release of the document, I had occasion to talk with engineer Eurico de Melo and, two days earlier, with Prof Cavaco Silva. Both conversations enabled me to learn in detail the views of the two persons with whom I talked on the current national situation, specifically in the economic and political areas. I shall obviously not mention the content of the talks that were held, but I shall however add that neither one spoke to me about the publication of an open letter. Hence, I was completely unaware of that concrete aspect of the action that they may perhaps have had in mind. I later found that a major part, but only a part of their views, was reflected in the open letter.

Normal Diagnosis, Mistaken Remedy

[Question] But what comment would you make on that open letter?

[Answer] As for the open letter per se, I would say, in the first place, that the diagnosis which it contains does not differ substantially from other evidence that

has come to my attention, such as the document prepared by Prof Alfredo de Sousa, which is perhaps more exhaustive and thorough than this open letter concerning the economic, social and political situation that we are experiencing. As for the diagnosis, I would also add that it contains correct features. Several individuals from different sectors would be in a position to make diagnoses similar to the one made therein, although I think that there is a certain loss of detachment on the part of the authors, in comparison with positions that they have upheld in the recent past. Both have given the impression, which seemed highly important to me, of a dissociation from the situations analyzed, that enabled them to gain perspective and to assess the issues of the system. This diagnosis appears to me to be more of an intervention than a diagnosis with that detachment. I should also tell you that, with regard to certain aspects of the diagnosis of the Portuguese economic and political situation, I would go even further.

I think that there are essential institutional issues which only surface in the open letter and which, nevertheless, are the real issues that will determine the political evolution in the near future.

[Question] You mentioned diagnosis. And what about the remedy that has been suggested?

[Answer] Insofar as the problem of the remedy and the proposed solutions are concerned, I think that what the militants would normally expect from any statement made by heads of their party is looking ahead to the next Congress, to be held at the beginning of 1983, and noting that this Congress is crucial, from both the standpoint of a determination of leadership for the future and that of principles, and both strategic and tactical orientation for the coming years. Hence, I believe that the militants would expect more of a message directed toward the Congress than one for the immediate times, for the period of constitutional revision and for the period following the preparations for the local government elections.

'Timing' Deserves Obvious Criticism

[Question] Does this position, in fact, "confuse" the present political situation even more?

[Answer] The fact is that the militants do not want any position assumed that would benefit the foes of AD, and hence of PSD [Social Democratic Party], either directly or indirectly. In my opinion, the foes of AD are, on the one hand and primarily, the Communist Party, and, on the other, General Eanes too, as was determined at the Porto Congress; and I do not see that they have any essential reasons for doing anything other than confirming the strategic line voted for on that occasion. Therefore, I think that anything which benefits the maneuvering room of the Communist Party, or anything which expands General Eanes' area of action, specifically, easing the path for the dissolution of the Assembly of the Republic, is negative for PSD.

It is in this context that I believe, not so much insofar as a diagnosis is concerned, but insofar as a remedy is concerned, that the open letter has evoked much perplexity, and even criticism among the militants and leaders of PSD.

Moreover, this very point was stressed in a Radio Renaissance critical editorial last Sunday, and in the brilliant analysis made by the Social Democratic commentator Jose Miguel Judice. The "timing" selected (the crucial period of the constitutional revision) deserves obvious criticism. Similarly, it may be said that the proposal for dismissal of the prime minister, accompanied by the non-candidacy of two politically important personages such as the signers of the open letter, on the one hand, seems to correspond to what occurred a year ago (suggesting the dismissal, not assuming the risk of a candidacy); and, on the other hand, suggests a serious confusion between the role of a political analyst and that of a political leader. The analyst can prophesy or predict scenarios and the evolution of events, with the advantage (or disadvantage) of not being the protagonist of that evolution. Political leaders cannot readily make political forecasts at the same time that they refrain from assuming the inherent responsibilities. In short, going further in the critical analysis of the blocking of the system in the current situation (I am hypercritical on that point), I cannot fail to disagree with the occasion and the guidelines for a solution (which they are not) suggested in the document.

Short-Term Policy Is Made Instead of Structural Policy

[Question] You mentioned a critical analysis of the blocking of the system. And you said that you were "hypercritical." What do you mean by that?

[Answer] Let me explain it to you. In 1980, AD committed itself to a program of change for the Portuguese society. This took place in an expansionist economic atmosphere; we were experiencing an economic euphoria, both in international and national terms. The promises made related to genuine, deepseated changes in economic, social and political structures. For this purpose, it was stated by AD and underscored by Dr Sa Carneiro, demanding, on the one hand, an accord between the parliamentary majority, the government emanating from it and a president, and, on the other, a thorough revision of the Constitution.

Now it is worthwhile observing today, a year and a half later, what has happened, and the feeling of disappointment experienced by many Portuguese who voted for AD and who indicate as a major negative aspect the fact that AD has produced a system which did not create, or which was not the leading creator, instead of keeping the promise of a change in structures. And, with one argument of another, we have experienced the impression that short-term policy is being made instead of structural policy.

Conflict of Plans Between AD and Eanes

[Question] And what are the reasons that explain this situation?

[Answer] Several explanations have been attempted for this situation, ranging from the problem of PSD or AD leadership in general, the leadership of the government and the overall action of the heads of the parties who back them to the bond between government, majority and parties.

I think that in those analyses no observation has been made of certain fundamental institutional issues.

The first of these issues is that, in the December 1980 elections, a president of the republic who was the candidate opposing the AD candidate won. In my view, this cannot be reduced to a mere personal conflict, as I have seen it reduced at times, but rather involves a conflict of plans. In fact, it is completely different for an accord to occur between the parliamentary majority and a presidential majority if the latter is based on political forces opposed to the plan of which the parliamentary majority is the bearer.

In other words, the president of the republic, owing to the very logic of his base of support and the commitments underlying it, as well as those of the sycophants who use his name and his position, has clearcut differences and discrepancies with respect to the plan for transforming the AD structures.

Secondly, based on the logic of political evolution itself, and the need for a two thirds commitment for the constitutional revision, while that revision establishes, in the political area, some of the features of the structural change that are wanted, specifically, regarding the progress toward a civil democracy and the establishment of the regional autonomies and local government, in the economic realm it maintains provisions some of which are anachronistic, constituting institutional obstacles to the AD plan.

AD Should Submit a Set of Structural Changes

[Question] And what follows from this, in your view?

[Answer] The first conclusion is that many structural changes in the economic area were awaiting the constitutional revision, and were not made; and the conclusion may be reached that the constitutional revision itself that was made precludes them. The second is that there are two opposing political statements in the government; which means that, in fact, it is not a mere personal matter that pits AD or its leaders, or those governing it, against the president of the republic, or the president of the republic against them; but rather, it is some essential political issues. Thirdly, the revision itself brought about a systematic conflict which lasted for 7 or 8 months, with the Communist Party and the CGTP [General Federation of Portuguese Workers], wherein the main issue was what the Communist Party considered to be the so-called "coup d'etat" that AD and PS [Socialist Party] were making of the constitutional revision. The Communist Party brazenly termed, and continues to term the progress toward civil democracy essentially a coup d'etat, and the deepseated change in economic structures was certainly never mentioned; because PCP was always willing to have the Socialist Party's backing to prevent any changes from being made, except in wording, or a few formulas with a stronger ideological connotation. The fourth conclusion that can be drawn is that, with the end of the constitutional revision imminent, it is an imperative obligation of AD and its government to submit to the Portuguese people a programed set of structural changes, in the absence of which it would be impossible to unblock the situation of the Portuguese economy. Those structural changes should be assessed in the near future, by both the government and Parliament, and then be subjected to an evaluation by the Constitutional Court as well as to the political judgment of the president. This would also serve to test what I claim: on the one hand, ascertaining whether or not there is, in fact, this contradictory duality of political statements in the government between majority/government and president; and,

on the other, whether or not there is an obstacle, namely, the Constitution itself, even after the revision in the economic area.

Begin Preparing for the 1985 Presidential Elections

The final conclusion is that it is essential to begin now preparing for the 1985 presidential elections; because if one of the conclusions that we have drawn is that there is a divergent duality of statements in the government, and that it is not a matter of Antonio Ramalho Eanes, personally, but rather a matter of essential political divergence existing since 1980 between the AD plan and the position of the president of the republic, Gen Ramalho Eanes, then it is fundamental to assess the one who is to be the civilian candidate running for the presidency of the republic in 1985.

Because what is odd is that the Eanists themselves have not ceased to indicate as a solution for the success of the president's plan the need for a government and parliamentary majority attuned to him. And hence the appeal to the party, heading a presidential movement.

So, they have been proposing 2 years later what Dr Sa Carneiro proposed in 1980, only starting from Belem and made to order for Belem. The AD plan proposes a government-parliamentary majority and, later, the presidential election, with a president in accord with the parliamentary majority and with the government. On the contrary, what they are saying now is: "The president must arrange a party, a front, an association, or a party movement, or an understanding among parties, or whatever it may be, because if this does not occur, things will not succeed there." Finally, they have reached the conclusion that the experience abroad has also proven that, in order to work without serious problems of continuity or sudden changes, the semi-presidentialist system requires accord between the parliamentary majority and the presidential majority, with either a right wing majority or a left wing majority, as shown by the French system that is mentioned so often.

AD Should Reconsider Program and Review Strategy

[Question] But does all this require a clarification of the problem of the PSD and AD leadership?

[Answer] This requires clarification within AD and within PSD. Now let us start with the clarification within AD. The first clarification that seems essential to me is that AD, now that 2 years have elapsed since the 1980 program formulation, should reconsider its program and the promises made to the Portuguese people, and should review its strategy for the immediate future. This prompts me to suggest the holding of a national meeting that would involve party leaders, members of Parliament and local government members from the three AD parties. Also insofar as AD is concerned, I would say that this will lead to proper planning of the local elections. I am worried about what is happening in connection with the preparations for local elections. It is not a problem of the polls. They are even disclosing remarkably positive results. What is troublesome is establishing a common strategy, and insuring that the success on the local level will be accompanied by a national political desire. One cannot succumb to the extreme of letting those disconnected local processes to form lists flow spontaneously without an overall,

encompassing strategy on the national level. But, in addition to these points, I think that there are others which AD (and PSD in particular) must clarify: They must make it clear that it is not desirable for any coalition of the PSD/PS type to be approached in the future. When one observes what PSD is today, and what PS is today, their relative positions and the plans that they are pursuing, I think that a PSD-PS coalition is unfeasible for the country in the times in which we are living. It is also necessary for AD to make it clear that the presidential party is an improper solution for the nation's problems. It is improper because it would not solve anything, but rather would discredit the institutions that are in force, beginning with the president of the republic who, moreover, would only take the step that some would like him to take out of total lack of sense and insight.

AD must be explicit on another point as well: It cannot accept the dissolution of Parliament either overtly or covertly. AD must state that the legislative elections will take place in 1984, and that if the president of the republic wants to assume the responsibility for making the dissolution, let him do so, but not with the backing of anyone in AD.

Denouncing Eanes' Action

[Question] But do you think that the PR [president of the republic] is planning to dissolve the Assembly of the Republic?

[Answer] But how could the president of the republic dissolve Parliament after the new Constitutional Court goes into operation (furthermore, it would be tantamount to an attack against the constitutional revision that is not yet totally in effect)? From a current standpoint, that going into operation will not occur before mid-November which, in the event of a dissolution, would mean elections in mid-February. But let us suppose that General Eanes wants the dissolution. The most logical course of action, if he intends to do this, would be not to mention the dissolution now, and to begin by dismissing the prime minister and the government, so as to oppose AD (and PSD in particular) with the maintenance of the support for the head of government himself. If, as would be natural, the designation of the prime minister himself is maintained, then the president could invoke AD's difficult stubbornness to legitimize the dissolution of Parliament. The skill would rest with General Eanes' ability to bring about the conflict, putting the blame on the majority. So, should there be a yielding to General Eanes in advance, offering him the dismissal of the government in exchange for non-dissolution, or should his potential action be denounced firmly? I would not hesitate for a moment: I opt for the second alternative.

Pact With PR Exacerbates Current Problems

[Question] What about an idea cited recently, concerning a pact with the president?

[Answer] I see no logic in AD's advocating a pact with the president of the republic. Such a pact might appear to solve the current problems, but it would only exacerbate the structural problems. It would be committing an essentially inconsistent act to save face over the short term. It would avoid the appearance of an institutional conflict, giving the appearance of flexibility. But who would gain? The political statement of General Eanes would gain. Who would give in? AD would give in. Hence this clarification is needed from AD.

Balsemao Will Make the Positions Available at the Congress

[Question] But I insist: what about the PSD leadership problem?

[Answer] As for PSD, it is equipped to overcome the critical factors mentioned by many. I believe that PSD should undertake an ideological probing that it has not done in a complete and sequential manner for many years. It should also make a strategic reconsideration, with the inherent organizational consequences. This means that the forthcoming Congress will be an essential occasion in the life of the party on several levels: for the party's ideological reaffirmation, for the determination of the strategy, with the strategy for the 1985 presidential elections as a central point, and also for the question of leadership. And now we come to the question of leadership. The leadership must be determined on the basis of the prior investigation that should be made of both program, strategy and tactics. Only after that has been done will it be possible to design the most suitable leadership. I think that Dr Pinto Balsemao will be the first one to refute those who claim that he will cling to power, and will prove incapable of making his positions, whether as prime minister or as president of the party, available, at the time of the Congress, so that the debate may take place without deviating, in personal terms, from the level that it should have. Dr Balsemao received an unequivocal mandate at the Porto Congress to be president of the party and prime minister. It is only natural that the interruption of that mandate midway, at the height of a constitutional revision or on the eve of local elections, does not appear to be minimally logical; but it is also only natural that Dr Pinto Balsemao be the first one to demonstrate, once again, the importance of the sense of mission and detachment in the exercise of power, in the party or in the government.

2909

CSO: 3101/54

COALITION OF DEMOCRATIC LEFTIST PARTIES PROPOSED

Lisbon DIARIO DE NOTICIAS in Portuguese 2 Jul 82 pp 15-16

[Interview with UEDS First Secretary Lopes Cardoso by Fernando Madrinha; date and place not given]

[Text] "The opposition cannot limit itself to demanding dissolution of the parliament. This demand is illogical and incomplete when there is no clear plan for a solution to be proposed to the electorate."

Deputy Lopes Cardoso, first secretary of the UEDS [Leftist Union for Socialist Democracy], made these statements during the interview being reported today. During the interview, he discussed the general political situation, the UEDS-PS agreement for the self-governing bodies, the constitutional revision, and the president of the republic, who, in his view, "may back himself against the wall" if he does not take action on the basis of the criticisms made of the executive branch.

The former minister of agriculture (under the first constitutional government) and former PS leader believes that that party "is not by itself an alternative to the AD [Democratic Alliance]." He therefore proposes a "re-grouping of the entire democratic socialist left."

Concerning any possible return to his former party, he says that "anything is possible." But he adds that "While the PS remains what it is, this is not a possibility."

DIARIO DE NOTICIAS: In December of 1981, Lopes Cardoso said that the PS by itself was not an alternative to the AD. Since the FRS [Republican and Socialist Front] no longer exists, do you believe that there is no alternative to the AD now either?

Lopes Cardoso: I continue to believe that the PS alone is not an alternative to the AD. Perhaps the FRS was not an alternative either, by itself--the results have shown this--but it was at least the embryo of an alternative.

An alternative to the AD must be built in an area which goes beyond the PS, and I think that the necessary steps in this direction have not been taken.

The demand--which is however just--that the cabinet resign and the parliament be dissolved is an illogical and incomplete demand while there is no clear prospect in the eyes of the voters of any proposed solution, once the cabinet is dismissed and the assembly dissolved.

DIARIO DE NOTICIAS: Would you propose a reorganization of the FRS?

Lopes Cardoso: I am not doing that. Nor do we want to repeat any experiments precisely in the same form or with the same personnel. What basically represented the main reason for the existence of the FRS program continues to be a necessary condition for the development of an alternative to the AD. It is a question of regrouping all of the forces, segments of opinion and personalities who claim affiliation with democratic socialism.

DIARIO DE NOTICIAS: Would this be the federated congress urged by the ASDI?

Lopes Cardoso: No. The ASDI proposal, moreover, would mean bypassing certain stages. A federated congress of the democratic left presumes the completion of the preceding phases, without which it would make no sense.

DIARIO DE NOTICIAS: What phases?

Lopes Cardoso: There are a series of prior conditions including the consolidation of an agreement among the forces of the democratic left on less organized, less rigid levels. To speak of a federated congress as an immediate solution without a prior agreement within the democratic socialist left would be to bypass stages. Only after an understanding is reached among these forces would it be possible to think, with a minimum of realism, of a federated congress which would not, when all is said and done, be merely a pretense to make it possible for certain PS personalities to participate without losing face. If the federated congress were merely an alibi to allow certain PS leaders to participate, it would have no meaning.

DIARIO DE NOTICIAS: What would be the concrete expression of this regrouping of the democratic socialist left of which you speak?

Lopes Cardoso: It would be a program agreement with a view to the elections, but also with the postelectoral period in mind. It would be necessary to make it very clear what is proposed for the period following the elections.

Agreement on the Postelection Period

DIARIO DE NOTICIAS: Are you speaking of an agreement reached by the UEDS, PS and ASDI?

Lopes Cardoso: I am not speaking only of the three parties in this sector. In addition to them, there are more or less structured opinion factions which should be taken into account.

DIARIO DE NOTICIAS: Of which are you thinking?

Lopes Cardoso: I am thinking of the FUT Base, for example. Although it is an organization with clearly defined goals and a priority sector for action, I think that the faction of which it is a part is of real significance to democratic socialism.

DIARIO DE NOTICIAS: You maintain the view, then, that the PS alone is not an alternative.

Lopes Cardoso: I do. We cannot believe that the credibility of an opposition force is an automatic result of an increase in the lack of credibility the majority enjoys. It is true that the majority has less credibility than in December of 1981, but this does not immediately mean increased credibility for the opposition forces.

DIARIO DE NOTICIAS: Is the UEDS demanding the resignation of the cabinet and the dissolution of the parliament in the same form as the PS makes this demand, that is to say not until after the constitutional revision?

Lopes Cardoso: I would not put matters in terms of demanding or not demanding. We believe that the dismissal of the cabinet and the dissolution of the assembly are conditions required if we are to find a solution to the crisis. These years of AD administration have only aggravated the political, social and economic situations.

But we also say that the opposition cannot, on pain of becoming inconsequential, limit itself to demanding the dissolution of the assembly. It is necessary for the opposition forces to propose clearly what their alternative is. If we do not, we run the risk that future elections will not change the picture significantly. Not because the AD majority will retain its voting strength in absolute terms, but because in the absence of a clear and credible opposition program, it is to be feared that a large part of the electorate which might possibly opt for a solution offering an alternative to the AD will simply elect to abstain.

Why Dissolve the Parliament?

DIARIO DE NOTICIAS: Therefore, resignation of the cabinet first of all, and prior to the dissolution of the parliament, an agreement among the democratic socialist forces.

Lopes Cardoso: I would not frame the question in terms of before or after. I think that this is something which has to go along with the demand for the dissolution of the parliament, if only to provide this demand with the minimum of credibility.

People will certainly--and legitimately--ask why we should dissolve the parliament. If the opposition does not propose a credible alternative, people will be led to think that they are asking for the dissolution of the assembly of the republic for lack of anything else to say.

DIARIO DE NOTICIAS: Do you believe that the president should have taken the opportunity of the revision to dismiss the cabinet?

Lopes Cardoso: I understand all of the reluctance the president may have concerning the dissolution of the assembly, precisely in the absence of a prospective alternative. I would not go so far as to say that he should have taken advantage of this reorganization to dissolve the parliament.

What I cannot understand now in the behavior of the president is the lack of consistency between the statements he makes publicly, which may push him against the wall. The president has said repeatedly that this cabinet is inadequate, but he limits himself to saying this. I do not believe that it will be possible for him to continue to have this attitude for long, without doing anything. It involves the risk that people will conclude very simply that the government is inadequate, but that the president seems to be also, since he takes no action.

If he pursues this path, the president may possibly in the end find his base of support reduced, and the fault will be his own. Eanes cannot systematically maintain this critical position about the cabinet without taking action. And if he does not have methods of acting, he should make it very clear that he does not, just as he should moderate the level of his public statements as a function of his real capacity to act.

DIARIO DE NOTICIAS: If legislative elections are held and there is no agreement with the PS, would the UEDS participate alone?

Lopes Cardoso: No position to the contrary has been defined by the UEDS leadership. If a broader agreement proves impossible, the UEDS would not fail to present itself to the voters alone, although its position involves making every effort to make an agreement possible, not only with the PS, but with the entire democratic socialist sector. And preferably with the PS--I would say on a personal basis--because if we believe that the PS alone is not an alternative, we also think that it is difficult to foresee an alternative without the PS..

State Posts Not Sought

DIARIO DE NOTICIAS: Antonio Rebelo de Sousa said in his letter of resignation from the ASDI that he saw no future for the small political organizations. Do you believe that the UEDS can begin to expand again and reach a position for seeking power, or do you think it will continue indefinitely as it is today?

Lopes Cardoso: The ambition of all small organizations is to become large ones, and that of the large ones is to avoid dwindling to small ones. As the small organization it is, the UEDS has an important role to play and it may continue as such. Our concern, and this is perhaps one of the defects of the large parties, is not to subordinate everything to winning state power as soon as possible and at any price. If this were the goal of the UEDS, its

members and leaders, we would already long since have done what Antonio Rebelo de Sousa did. We did not establish the UEDS with a view to obtaining positions in the state apparatus for ourselves. If this had been our objective, we would have remained where we were.

DIARIO DE NOTICIAS: Would you accuse Antonio Rebelo de Sousa of careerism?

Lopes Cardoso: I am not accusing him of any careerism. I am merely stating what the UEDS position is. Each individual will put on the cap that fits.

The problem lies in knowing whether we want to hold state positions at any cost, abandoning our goals, or not.

DIARIO DE NOTICIAS: I asked the question about small organizations because it seems to me that without an agreement with the PS, it would be hard for the UEDS, for example, to obtain any possibility of participation in the parliament, to judge from the results of the 1979 elections, in which the UEDS ran alone.

Lopes Cardoso: The current situation is completely different from that in 1979. Today the UEDS has a national base it did not then, it is known as it was not then. I think that the goal of parliamentary representation is not beyond our reach.

Moreover, our candidacy in 1979 was not in vain, despite the fact that it did not lead to the election of deputies. It made it possible to create the prospects for agreement with the PS, allowed the establishment of the FRS, and if the proposed goals were not achieved, we must not forget that it was thanks to this party that it was possible to slow the decreasing number of votes for the democratic socialist left we had been witnessing since 1975.

DIARIO DE NOTICIAS: The FRS plan for constitutional revision survived the front itself. Bearing in mind the agreement among the three parties, how do you regard the later agreement between Mario Soares and the AD on the subject of revision?

Lopes Cardoso: The agreement between the PS and the AD was arranged in certain respects against the grain of the FRS agreement, on two points, basically: the structure and appointment of the constitutional court and the issue of a prior recommendation by the Council of the Republic in the event the president dismisses the cabinet.

Concerning these issues, we remained faithful to the initial FRS proposal. We voted for it in the plenary session, and, naturally, against what resulted from the PS-AD agreement.

DIARIO DE NOTICIAS: In your opinion, did Mario Soares betray the agreement with the UEDS and the ASDI?

Lopes Cardoso: I would not say that he betrayed it. If we bypass these two points, we could say that the FRS proposal was basically maintained. But

where the constitutional court is concerned, above all, I think ~~that~~ the PS yielded to the AD and did so in a way which will lead us into an aberrant situation. And what is most striking is that when you talk with PS and AD deputies, that is to say those who will vote in favor of this proposal, none of them defends it with conviction.

Crisis Within the PS

DIARIO DE NOTICIAS: Constitutional revision and the issue of the president's authority served to detonate this recent crisis in the PS. How do you view this crisis?

Lopes Cardoso: I have nothing to say about that. The UEDS and I personally have sought to stand aside from this internal PS crisis.

DIARIO DE NOTICIAS: But as a mere citizen, you must have a view on the matter.

Lopes Cardoso: Obviously. But I will not voice it. If I wanted to participate in the internal guerrilla warfare in the PS, I would not have left that party.

DIARIO DE NOTICIAS: Is there any possibility you will return?

Lopes Cardoso: Everything is possible. But while the PS remains what it is, there is no such possibility.

DIARIO DE NOTICIAS: While it remains what it is.... What do you mean by that?

Lopes Cardoso: While it pursues its present direction and practice--which is basically what led me to leave--I do not identify with the PS for the purposes of return.

DIARIO DE NOTICIAS: If the present minority were to become the leading majority in the PS at a future congress, would you then view your return as more probable?

Lopes Cardoso: The problem for me is not one of personalities.

DIARIO DE NOTICIAS: But the majority and the minority have different views concerning the party orientation. It is not only a question of personalities...

Lopes Cardoso: Here we come to that sphere into which I will not let myself be led. To this I would answer only that when the PS ceases to be what it is and begins to be something else, perhaps the question of my possible return can be raised. For the present, no.

DIARIO DE NOTICIAS: Is it a question of the application of the program?

Lopes Cardoso: As far as I know, the PS program is the same. But the program is one thing, and what is done with it is another.

DIARIO DE NOTICIAS: In your position as a deputy, what is your view about the subjection of parliamentary groups--not only the PS, but the other parties--to the leadership of these parties? Do you regard impositions on the deputies at their whim by the leaders of a party as legitimate?

Lopes Cardoso: I do not regard it as acceptable to subject a deputy to the party to such an extent that the deputy's own independence is completely eliminated. This would in the end make the existence of deputies practically useless. If we were to accept this system, the problem could be resolved much more economically by rallying nine individuals, since there are nine parties, and letting each one put the mandates which his party controls on the table.

The root of this is in something else, the very exclusive right given to the parties on constitutional terms to present candidates for the assembly. This is the first step toward the subjection of the deputy to the party leadership. In a general way, the deputies feel much more dependent on the leadership of their party than on the electorate.

The President and the Municipality

DIARIO DE NOTICIAS: How could this situation be overcome?

Lopes Cardoso: It is not simple, but I believe a solution could be found which would include the possibility of independent candidacies, on the initiative of a certain number of voters.

In theoretical terms, it seems absurd that the thousands of citizens who sponsored Eanes for the presidency could not do so if they wanted to tomorrow for a seat as deputy or president of the Municipal Chamber of Alcains.

DIARIO DE NOTICIAS: Of Fundao, perhaps. Alcains is a parish!

Lopes Cardoso: Or as president of a parish council? That would be somewhat absurd.

The parties have their own role in a democracy. They are the intermediaries par excellence between the political regime and the people. Only this role must be won by parties on their own merit, and not on the basis of the crutches which a favorable situation in the institutional context gives them.

DIARIO DE NOTICIAS: Your statement is identical to that made by the president, on this particular matter.

Lopes Cardoso: That does not concern me. What I am saying today I said long before the president of the republic said it. What is important to me is correcting attitudes. Moreover, this position wins me favorable criticism, either from the communist party, because the AD applauded me in the assembly today, or from the AD, because the PCP applauds me tomorrow.

But without seeking to excuse myself for the fact that my view in this respect coincides with that of the president--having this opinion is one thing, and thinking that the recent statements by the president, in the context in which they were made, is somewhat unfortunate and out of place, is another.

DIARIO DE NOTICIAS: Are you speaking of the independent candidacies for the self-governing bodies?

Lopes Cardoso: Yes. It seems to me that they are more or less out of place.

DIARIO DE NOTICIAS: Why?

Lopes Cardoso: Let us ask ourselves why this question is being raised now, in view of the fact that such a problem can certainly only be discussed within the realm of principle. No party will agree to this.

The Presidential Party As a Guerrilla Tool

DIARIO DE NOTICIAS: The question of the timeliness of the sponsorship of independent candidacies by the president may lead us to the question of the presidential party of which there has been so much talk in recent times.

Lopes Cardoso: I have no reason to be for or against a presidential party. I might in the future be for or against what that party proposes to me. If I am asked my view about the establishment of a presidential party on the basis of the group sponsoring the president of the republic as a candidate again, I would say that this group is so heterogeneous that I do not know how they could form a party.

The candidacy of Eanes came about as a reaction against the Soares-Carneiro proposal. It is possible, in a position of resistance like this, to rally individuals with very different political preferences, but I do not see very well how a party--which has to come out with something positive--can be formed with these same people.

DIARIO DE NOTICIAS: Do you believe that the establishment of a party, on the basis of the presidency of the republic, would be unacceptable from the ethical and political point of view?

Lopes Cardoso: That is another criticism. But I do not see how the president can take on the leadership, even the moral leadership, of such a party, in view of the risk of winning, let us venture generously, 30 percent of the votes, in a future election. If this happened, the president would be moving from the situation of someone elected by more than 50 percent of the votes to a situation representing 30 percent.

If, on the other hand, he does not appear to be the leader, then such a party would possibly not exceed 10 percent.

The presidential party seems very illusory, as if it were a tool used by some either for guerrilla warfare within the parties, or for the so-called institutional guerrilla war. But if the plan exists, it would be good if it were made concrete in order to clarify political life.

DIARIO DE NOTICIAS: We are 6 months away from the elections for the self-governing bodies, in which connection you urged last week that UEDS-PS slates be drafted. If the PS does not accept the proposal, will the UEDS participate with the ASDI, as in the case of Loures?

Lopes Cardoso: I did not urge UEDS-PS slates. I merely referred to the agreement between the leading levels of the two parties, signed by Mario Soares and myself, which allows for the possibility of joint participation in the elections for self-governing bodies in two ways: joint UEDS-PS slates and the inclusion of the UEDS on slates proposed by the PS. I would add that according to the terms of this agreement, both of these forms of participation are to be put into practice, that is to say the one will not be implemented if the other is not.

If by chance this agreement proves not to be viable, we would not exclude any other possibility of participation in the self-governing bodies.

DIARIO DE NOTICIAS: Is the ASDI left out of this agreement?

Lopes Cardoso: The UEDS has nothing against extending this agreement to the ASDI, but this is a question which has to do with relations between the PS and the ASDI. Nor, similarly, do we have anything against the possibility of extending the agreement to other organizations in the democratic socialist sector.

5157

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EVENTS SURROUNDING DEMISE OF REVOLUTIONARY COUNCIL

Lisbon O JORNAL in Portuguese 16 Jul 82 pp 8, 9

[Article by Fernando Antunes, Antonio Duarte and Carneiro Jacinto: "How the CR Died"]

[Text] At 1850 hours on Wednesday, 14 July, the Council of the Revolution ceased to exist as an organ of sovereignty constitutionally established in our fundamental law. It was not easy to bring down, and even when an attempt was made to devise a statute, relegating the voting on it to another occasion (which would progressively insure the distribution of the powers that had been entrusted to it), there was a series of hesitations and a juxtaposition of strategies. Everything was being done nervously, with a confused Parliament and agitation behind the scenes.

How can assurance be given that there will not be an institutional hiatus between the passage of the law on revision, the promulgation by the president of the republic and the entry into operation of the organs to which the CR's powers will be assigned? We shall attempt to reconstruct the different steps in this complicated process which did not finally encounter the start of an unblocking until Tuesday night, after arduous negotiations. The proceedings would end by seeing "the light of day" on Wednesday afternoon, in the form of an agreement that has just been announced. Closer to the end, we shall have the voting. The majority and PS [Socialist Party] will then assign the president of the republic in the CR's place, with the mission of overseeing the constitutionality of the laws so long as the Constitutional Court does not exist.

It all really began when PCP [Portuguese Communist Party], which has not concealed its opposition to the abolishment of the CR, triggered the "uneasiness" in the minds of the forces that have negotiated the agreement on the constitutional revision, at a widely publicized summit meeting at Sao Bento. So, what was it to be? Abolish the Council of the Revolution with nothing else? And what about the temporary provisions? How could the vacuum be filled, especially in the area of monitoring the constitutionality of the laws, when the Constitution went into effect lacking the establishment of the organs to which those powers were to be transferred? Did PS consider the matter? And what about the majority? Is it concerned? Or, on the contrary, would it want nothing to exist, so that anything could happen with the dread of inspection of the government's actions? PCP proposed a simpler method: that is, to leave the CR, until after the assessment and voting of the organs of replacement, namely, the Constitutional Court, the Council of the Republic and the

Higher Council of National Defense. This solution did not interest either PS or the majority. But what would PS and its partners in the consensus do to remedy what had not been considered in time?

A Proposal Disclosed by 'O Jornal'

PS and PSD [Social Democratic Party] really considered the matter; and there is every indication that they did so not very differently from one another. A meeting of the PS parliamentary group held on Thursday afternoon, 8 July, was utilized to make progress with the text of a solution for which PSD's agreement already existed. The deputies were not expecting such a quick accord. This was a surprise to all of them, because the established timetable meant the abandonment of the proposition for the dissolution of Parliament so persistently upheld by Mario Soares.

The text of the bases for that proposal, in the direct negotiation of which CDS [Social Democratic Center Party] did not participate, was published in our Friday edition with the highlighting that its importance fully warranted. And it had the effect of a "bomb" particularly among the Christian Democrats, who discerned the prospect of a bilateral agreement negotiated behind their back and relegating CDS to ostensible isolation.

It was, in fact, only ostensible, because Almeida Santos and Nunes de Almeida had attempted to contact Freitas do Amaral as early as Thursday. The meeting did not take place, because the CDS president announced that he was prevented from attending owing to illness. And everything was postponed until Monday of this week. CDS was to eventually assess the terms of that agreement and make a statement concerning it. Parliament resumed the assessment of Article 113 the next day, and no time could be wasted.

From Gomez Teixeira to the Office of Marcelo Rebelo de Sousa

And here the most lively part of the story begins.

On Monday, 12 July, a meeting in the government building on Gomes Teixeira. PS was represented by its negotiators. The same thing held true for PSD, CDS and PPM [Popular Monarchist Party]. Marcelo Rebelo de Sousa also participated in this meeting. The Centrists took note of the text of the agreement that O JORNAL released on Friday. And, in a preliminary analysis, they indicated that the terms would have to be reexamined, and that, if it were signed by everyone, the proposal entailed a potential risk at present: that of favoring the systematic postponement of the time when the CR would actually cease to exist, their main concern.

The meeting at Gomes Teixeira was not conclusive, but the germ of an agreement was to emerge from it. The issue would be taken up again on Tuesday, while PS was left with the responsibility of reducing to writing what had been more or less agreed upon verbally.

The inconsistency of the commitments was obvious. While PS and PSD thought that the solution found eliminated the institutional hiatus and would eliminate any risk of proceeding to sign a paper which at least PS might regret, the Christian Democrats seemed to be overly hesitant.

On the morning of Tuesday, 13 July, everything was ready for the agreement in principle established the day before at Gomes Teixeira to materialize. Marcelo Rebelo de Sousa met in his office at Sao Bento Palace with Meneres Pimentel. Shortly after 1100 hours, Almeida Santos and Luis Nunes de Almeida appeared. They came to tell the minister for parliamentary affairs that PS agreed with everything that had been decided a few hours earlier, but was concerned that two final points be added.

In one of them, relating to the Constitutional Court, and to the hypothesis of its not going into operation on 30 November, PS proposed various methods, some of which eventually ended up being called for in the final agreement.

Marcelo Rebelo de Sousa had to give a response. He telephoned Pinto Balsemao, telling him what was happening, and the PSD president did not pose any major obstacles to the acceptance of those two additions. The refusal came from Freitas do Amaral, whom Marcelo contacted about 1230 hours. The CDS leader, meanwhile alerted by Luis Beiroco, told him then and there on the telephone that it would be very difficult for his party to agree with that proposal. Ribeiro Teles, who was contacted immediately thereafter, had to give a response.

The Idea of the President of the Republic Is That of CDS

The Socialist deputies went to Parliament earlier.. Almeida Santos and Nunes de Almeida wanted to publicize the text negotiated the day before, a text which was not the initial one and which, after consecutive deletions and additions, was to become a document accessible only to the initiated.

It contains 11 points, and it stipulates that everything must be completed by 30 November. If, by then, the Constitutional Court has not gone into operation, the Constitutional Commission would remain in office temporarily to exercise some of its powers, while the president of the republic would have the right to veto on unconstitutionality relating to all the legal documents of the Assembly of the Republic and the government. The idea of entrusting those functions to the president of the republic is that of CDS, not PS.

Among the Socialists who met to assess the agreement (it was commented outside) there was a strange miscellany of positions among the pro-Secretariat and pro-Soares deputies. While a certain amount of confusion prevailed in PS and, on the other hand, no major objections were detected in PSD, unexpected difficulties arose in CDS. They were little known. Freitas do Amaral chose lunchtime to announce the differences in his party.

Luis Beiroco: 'An Agreement of That Kind With Me, Never!'

Parliament resumed the atmosphere of historical times. When the work began, the president confirmed that there was no quorum. The report had already reached PS and PSD: CDS opposed the solution that had been found and, among other demands, attached priority to one: the deadline of 30 November was to be abolished. CDS "demanded" that the Council of the Revolution go out of existence definitively on the date of the publication of the constitutional revision law in the "Journal of the Republic." From that time onward, and until the Constitutional Court went

into operation, that "burden" would be transferred to the president of the republic.

In the plenary, and in the corridors of Sao Bento, there was bewilderment. There was one almost universal question: How was it possible to disregard such an important ruling related to the entire structure of the constitutional revision, and to improvise in this way? In the plenary, there was a series of half-hour sessions, requested by nearly all the parties, a regulatory expedient used to make it possible to resume the negotiations. In the corridors and on the Passos Perdidos, groups were commenting on the unexpected "resistance" from CDS. Luis Beiroco, the man to whom Freitas do Amaral had entrusted the management of the constitutional revision, exclaimed angrily: "The agreement that PS wants will not be made with me!"

It was the disagreement with a deadline that would extend the CR's existence up until then.

Freitas do Amaral and Balsemao Meet at Sao Bento

In the parties' rooms, the officials received instructions not to allow newsmen to enter. Behind, in the office of the minister for parliamentary affairs, Marcelo Rebelo de Sousa received the PSD and CDS negotiators in succession. Almeida Santos and Nunes de Almeida, Sousa Tavares, Luis Beiroco and Carlos Robalo went about in a flurry, impenetrable. "We are negotiating," they remarked.

But it was not long afterward that Balsemao and Freitas do Amaral met also, at the prime minister's official residence. They did so until 1700 hours.

In Parliament, PS held a more lengthy meeting, which was suspended once and then resumed. It appeared to be in full agreement on one point: It could readily be admitted that CDS "had the ball" on its side, and was leading the process. "Loud talk for PCD, but not for us, because we shall not agree to it! Now they are even demanding that the CR go out of existence and that whether there is a hiatus is something that will be found out later!"

But in CDS matters are always better concealed. When the parliamentary group met, all the doors leading to the main hall were locked. "No photos," they said.

Alegre, in a Solemn Tone: 'We Shall Not Make the Revision at Any Price!'

But the situation was becoming unbearable for PS. It was nearly 1900 hours. The Tuesday session was confined to the closed circuit negotiations. Behind the scenes, the notion was spreading that CDS would play all its trumps and that it wanted, most particularly, to make it quite clear that "those in charge are the Christian Democrats," and that PSD would have to yield to its arguments, otherwise the same thing would happen with PS.

This was what Manuel Alegre rejected when he rose from his seat to read a paper behind which one could see the clipping from a newspaper. It was a political statement in very strong language, and his loud voice was meant to be more persuasive than ever: "We thought that a solution had been found for the temporary provisions; but we have learned that this is not the case. Those who thought that PS

would make the constitutional revision at any price deceive themselves. We shall continue tomorrow."

Vital Moreira, displaying newspaper clippings and the "Journal of the Assembly of the Republic," expressed gratification that PS had not succumbed to a fraudulent pact in which AD would have everything to gain and the Socialists everything to lose. And he mentioned the article in O JORNAL. Almeida Santos and Sousa Tavares replied that they did not know how "those papers" could have come into the hands of reporters. Almeida Santos: "There was no agreement." Sousa Tavares: "We nearly reached it...but we did not succeed." Vital explained: "That agreement would allow the postponement of the dissolution of the AR [Assembly of the Republic] for another half year; it would guarantee that the main laws to implement the revision would need only approval by a simple majority; it would exempt new legislation from any checking of its constitutionality; it would impede the political veto of the president of the republic...PS would leave in AD's hands the future legal regulation of national defense and of the Armed Forces; it would exempt the three laws from any preventive checking of their constitutionality; and it would withdraw its demand for the dissolution of Parliament after the revision."

The Day of Abolishment

Wednesday, 14 July, is the day on which the CR will cease to exist. But it was necessary to find out the status of the negotiations. They had been held on Tuesday night, lasting into dawn. The AD and PS parliamentary leaders had a final meeting. The agreement was settled.

The prospects for the members of the Council of the Revolution were not the best. Some of them were merely ready to resign if the agreement on the temporary provisions were approved at that session.

Almeida Santos had lunch with Vitor Alves, who told him about that decision. But the agreement was not to be voted on yet. The PS leader confined himself to notifying the Chamber of the bases of the agreement, and responding to some charges from Vital Moreira that he considered insulting. The Communist deputy accused PS of having concluded a "deal" outside of the authorized entities. "An unjust spit at the Council of the Revolution," remarked the Communist deputy.

PS paid tribute to the CR, and suggested that a meeting be arranged in Parliament to honor its members. Not everyone in PS was in agreement.

Alegre Again: 'I Disapproved of the Agreement'

At 1600 hours on Wednesday afternoon, the meeting of the PS parliamentary group ended. The Socialist deputies returned to the semicircle.

Manuel Alegre approached the newsmen's bench and called Fernanda Mestrinho, from DIARIO DE LISBOA, to tell her: "Tito Morais and I are going to request the suspension of the mandate."

There was a certain amount of agitation on the newsmen's bench when the news was learned. During the next break in the debates in the AR, a reporter from O JORNAL approached Manuel Alegre.

"So, you intend to request the suspension of the mandate?"

"I do."

"Why?"

"I prefer not to explain just now."

"But it is obviously a reaction against the new protocol agreement with AD."

"I disapproved of the agreement."

"Why?"

"..."

"Cannot your position and that of Tito de Moraes be viewed as a confrontation with the PS majority line?"

"I don't think that it is at all related to those matters. It was a specific reaction. The suspension of the mandate was requested for only 30 days."

Manuel Alegre said no more. The atmosphere at the Socialist parliamentary group's meeting was stormy. The so-called "historicals" (Manuel Alegre and Tito de Moraes) were the most aggressive. Along with Salgado Zenha and Arons de Carvalho, of the PS former Secretariat line, they voted against the second protocol agreement between the party and AD. For their part, other elements also associated with the former Secretariat, such as Vitor Constancio, voted in favor of the document, along with Mario Soares and his most direct backers.

The results of the voting: 26 votes in favor, 14 against and 16 abstentions. When the negative votes and abstentions were combined, the results exceeded the votes in favor.

On the Assembly's Passos Perdidos, Vitor Constancio told O JORNAL: "There was no other solution except putting an end to the constitutional revision."

Up ahead, Mario Soares was walking with Manuel Alegre, chatting. When we questioned the PS secretary general about the mandate suspension of Manuel Alegre and Tito de Moraes, the former, ironically, attempted to detract importance from the action.

"It is not serious that they requested the suspension of the mandate. It might even have been done for personal reasons. We know that Manuel Alegre did not do that to go fishing.

"Dr Mario Soares, does that mean that you convinced Manuel Alegre not to go fishing?"

"Now the fact is that we can all request suspensions of mandates, without its having an special significance. I myself had to suspend my mandate for several days to travel to the Middle East."

"That is not the case with Manuel Alegre."

"Well, as I see it, the case of Manuel Alegre has moral justification. Manuel Alegre and Tito de Moraes reacted on the basis of moral imperatives."

Shortly thereafter, behind the scenes of the AR, Socialist deputies who voted against the agreement commented that the reason for the rejection of the document was associated with "the lack of consideration given to the Council of the Revolution" by replacing this organ temporarily with the president of the republic.

Meanwhile, the PS parliamentary majority (a minority in the party) became divided and claimed to be confused, despite the fact that it had voted for the solution that seemed to it to be "the lesser evil."

2909

CSO: 3101/54

AP'S INTERNAL FRICTIONS SUMMARIZED

Madrid EL PAIS in Spanish 27 Jun 82 p 17

[Text] At AP [Popular Alliance] headquarters, any talk of Francoists produces an inevitable gnashing of teeth. It is not so long ago, after all, that the vice president and party's theoretical Number Two, Fernando Suarez, was trading harsh words in this regard with the AP's secretary general and representative of its "young wing," Jorge Verstrynge. Today, everyone at Calle Silva--AP headquarters--wants that clash, which was motivated basically by a dispute over preeminence in the forthcoming electoral lists, forgotten.

But the facts are there. Less than 1 week ago, Fernando Suarez--who was a minister in the last Franco government in 1975--was saying to the EFE that in the AP lists for the forthcoming elections "an attempt is being made to exclude some highly worthy Francoist names, using Francoist methods," adding that AP cannot exclude some persons because they have been ministers. "Verstrynge would be making a mistake if he tried to use the power of the party apparatus to alter the will of the rank and file," said Fernando Suarez, hinting at the same time that someone was launching brain-washing campaigns "to exclude, little by little, some names that could stand in his way."

Verstrynge's reply, by way of the same Agency, lost no time in making itself known: It recognized the worthiness of some Francoist figures, "But this does not mean we are going to offer them a place on our list of candidates."

"No one comes into this party to hold a [Cortes] seat by divine right." With this statement to EL PAIS, Verstrynge sounded the alert on one of the most important problems confronting Manuel Fraga's party on the heels of its victories in Galicia and Andalusia. Coexistent in AP, or shortly to coexist within a matter of a very few days, are two heterogeneous groups of persons that not only have internal problems within each of the groups but that together can become the source of party conflicts within the not too distant future. On the one side in the AP are the persons who have worked over the past 5 years to repair the resounding defeat suffered by the AP of the "seven greats" in 1977. These are the cadres and the top management team of the AP since Fraga broke with his 1977 allies as a result of the approval of the Constitution and the Political Reform. These are the ones who have succeeded to a goodly extent, even though not entirely, in bringing into line the AP-card-holding rank and file with far

too strong leanings toward Blas Pinar. The fact is nonetheless that they achieved a party structure in which the provincial leaders are marked by an ideology that can be characterized as Right-leaning or very Right-leaning, but accept democratic give and take and the constitutional norms. This team of persons, which has sidelined the excessively nostalgic Francoist militants, has done a painstaking and frequently thankless job and fears that, precisely now, when the party is on the rise again thanks to the charisma of its leader, Manuel Fraga, and to the errors of the UCD [Democratic Center Union], outsiders will come into the party with intentions of becoming Number Ones. For this reason, names like those of its Secretary General Jorge Verstryngge and his followers, of its Vice President Fernando Suarez, and of Gabriel Camunas are engaged in defending preemptively, and as a precaution against what could occur, the seat they perceive as rightfully theirs. And as a result, clashes have taken place that have found their way into the press, using Francoism as a missile. In the words of Fernando Suarez, "Someone has cooked this up to create an infighting factor in the situation." And as far as Suarez is concerned, he is now intent upon removing the steel from his past public differences with the party's secretary general. Manuel Fraga has succeeded in restoring internal order.

Suarez still quivers, however, whenever anyone so much as hints that some past or future "fugitives" from the UCD might be distrustful of joining what they fear could become a "nest of Francoists": "To talk of Francoists when one has just accepted the leadership of the minister of the Movement, or that of Martin Villa, or of the son-in-law of Ibanez Martin, or the son of Arias-Salgado, or the son of Lamo de Espinosa, would be unseemly."

Madrid Candidacy

As for the rest of it, there appears to be no doubt that Suarez holds personal views within the AP and that he does not hesitate to assert them. When he is asked his opinion on the so-called "managerial government," a controversial issue in house, he replies: "It would be a tremendous mistake. If the present government is incapable of continuing to govern, it should go. But a "managerial government," whether or not it were to succeed or to fail, is an experiment Spain cannot afford at this time; this is something that would be dangerous to democracy."

While there has always been a unanimity within AP when it comes to defending its seats against sharing them with other parties, that unanimity dissolves when it comes to setting up which number in the list is to be occupied by each of its candidates. It is the Madrid candidacy above all that has produced the bitterest internal quarrels. Manuel Fraga is indisputably the Number One. No one in AP questions that. The Number Two slot, however, has already touched off a controversy. It would appear that Fernando Suarez is assured of it, and this has not gone down well initially.

Camunas is now maintaining silence and Verstryngge is affirming: "I have no problem falling in behind the first vice president of AP. Why should I have?" The Number Three position on the list, intended, according to all indications, for

Alfonso Osorio, is undoubtedly the one that has given rise to the most internal polemics: Osorio is the first non-AP political figure with a potential for unseating the AP faithful, notwithstanding the fact that his formal AP membership card dates back to only 3 weeks ago. The party apparatus is trying to send Osorio to Santander and to put Verstrynge in the latter's position on the list.

As soon as the nomination of Osorio became known at AP headquarters, Gabriel Camunas rose in anger and stated that this was not in keeping with the AP's new image. As a result of this argument, Camunas found himself relegated to the bottom tier of the Madrid list. Immediately, work began on the number one spot for Zamora. Verstrynge, convinced that Oscar Alzaga and Herrero de Minon will both occupy a high position on the Madrid list, accepted the candidacy for Sevilla. It seems, however, that he has been tapped again for Madrid.

9399

CSO: 3110/173

AP READIES WELL-FINANCED ELECTORAL MACHINE TO STOP PSOE

Madrid EL PAIS in Spanish 27 Jun 82 pp 16, 17

[Article by Fernando Jauregui and Joaquina Prades: "Three Billion To Stop the Socialists"]

[Text] A formidable electoral machine, counting on close to 3 billion pesetas, is being readied to defeat the socialists in the forthcoming general elections. The "moderate coalition" that is to be formed around Manuel Fraga's AP [Popular Alliance] has one aim in mind: To win 160 Cortes seats in the elections which, according to all forecasts, will take place in the fall. The technical preparations have begun, as has the collection of funds. Money will not be lacking in the effort to defeat the socialist option, say the leaders of AP, who are looking forward to a rosy future. Nevertheless, and notwithstanding that Fraga himself has said there will be no vetoes against any potential candidate wishing to join this vast "moderate coalition," the problems that can arise from a heterogeneous unity are definitely on the minds of the AP leaders.

Some 20 persons are already at work on the electoral preparations at the headquarters of the AP, on Calle Silva in Madrid. But, on the heels of the outcome of the Andalusian elections, this locale, in the very center of Old Madrid, has been deemed too small, and consideration is now being given to moving into a six-story, 4,000-square-meter building located in a more modern zone. This will be the new general headquarters of the coalition that is to be formed within a few weeks.

In his--still--small office on Calle Silva, Manuel Fraga, the president of AP and "strongman" of the future coalition, autographs photos for his admirers. "We are not going to repeat the experience of the UCD [Democratic Center Union] by forcing an unbalanced coalition. But we are not denying that, to meet the threat of a Left united around the PSOE [Spanish Socialist Workers Party], we must do something besides compete with it entirely on our own. I will comment no further on the matter, because talks are still under way. But no one is going to dispute AP's majority and federative status." Meanwhile, Fraga attends luncheons and dinners, makes an appearance everywhere, autographs photos for his "fans" and tries to correct his reputation as an irascible man. For, he as well as his people know that Manuel Fraga's image will be the "main course" in

the forthcoming elections. It is an image that must be closely looked after, and that is present on the walls of all the offices of the Calle Silva headquarters. The great advantage and the great disadvantage of what seeks to be "the great conservative option" is thus: The existence of a face to depict on the posters, but, so far, the lack of an organization behind it.

The gluing together of a coalition made up of heterogeneous groups, despite the fact that it now appears to have been definitely decided, has not failed to give rise to controversies within the AP. The party's "Number Two" himself, Fernando Suarez, acknowledges that "there is a risk of coming up with personalistic combinations rather than an agglutination of major currents of public opinion."

Problems Regarding a Coalition

"We do not know how many liberal, Christian democratic or populist votes there are in Spain," adds Suarez, warning that "the mistake of forming a UCD with heterogeneous materials must not be repeated." In Fernando Suarez's view, "Anything can work if one succeeds in integrating the groups on a generous and unanimous basis. Otherwise, we could end up as another UCD." Manuel Fraga thinks that in any case "The ideal thing would be to form a single party. I think it will eventually come to that." But meanwhile, the formula of a coalition, yet to be formed, is considered the most suitable from the standpoint of the main objective: To beat the PSOE.

Jorge Verstrynge, the young secretary general of AP, favors the coalition and does not think it presents any problems: "The weight of AP is not comparable with that of the other parties that make it up. The weight of the AP is greater and there is a natural leader, who is Fraga. The members of the UCD were all equal; here too they will be equal, but all under the tremendous weight of Fraga."

Who will join that coalition? The field of possibilities is not a closed one. Everyone at Calle Silva considers it a virtual certainty that the adviser, still, to Calvo Sotelo, the Christian democrat Oscar Alzaga, at the head of a group of some 30 UCD members of parliament will shortly leave the UCD to join the coalition presently being formed by the AP and Miguel Herrero de Minon's as yet not formalized Conservative Party. This latter party, say the AP leaders, will provide a good intermediate hitching point for those who prefer not to enter into a direct association with Fraga's party.

A Liberal Presence Improbable

Much more remote, it appears at this time, is the possibility that the liberals under Antonio Garrigues Walker--who has decided to convert his federation of clubs into a party, to which end he will shortly convene a constituent congress--will join the coalition. Fraga acknowledges, however, that talks with Garrigues have not even started as yet: "As you know, he is under pressures against the holding of such talks, and, what is more, in the liberal sector one must talk to others besides Antonio Garrigues." Nor has any thought been given as yet to the name of that future coalition, "although that is the easiest of all."

The prospects of that as yet unborn conglomerate are good, at least from the quantitative standpoint, say its mentors--the internal problems that will stem from it are another thing... According to the figures supplied by AP, the rate of new affiliations is rising sharply: In the first 15 days of June alone there were, according to these sources, 2,905 new memberships, notably 467 from La Coruna, 219 in Barcelona and 201 in Murcia. In all, say AP sources, the party has something over 60,000 members "enthusiastic members and, for the most part, dues-paying ones."

Neither Vetoes Nor Pessimism

As to the ideological origins of those recent enrollments, hardly anyone at Madrid's Calle Silva cares to talk about them: "We are not going to exclude anyone. I know of no law in the Constitution that differentiates between Francoists and non-Francoists. And, in the Spain of today, when 40 years of history shall have gone by, to say 'of those, no one' will be laughable. In this party, there will be no vetoes," says Manuel Fraga.

The jump in enrollments in Barcelona following the AP leader's recent trip to that city encourages the party leaders to think that, with time, the present membership "gap" with respect to Catalonia can be overcome. There is less confidence that results can be improved in the Basque Country. Neither have Soria, Avila or Segovia, together with other provinces having a strong UCD constituency, extended any favors to AP, nor is the outlook as a whole very promising, even though a faint hope is conceivable in the last of these following the abandonment of the UCD--because of differences with the party over the integration of Segovia into Castilla y Leon--by Deputies Modesto Fraile and Carlos Gila, who are planning to join Alzaga's future party.

In any case, efforts will be intensified in those provinces where enrollments are lacking, say the campaign managers, who point out that, after each trip by Fraga, there are massive new enrollments in each place he has visited. The Andalusian experience has undoubtedly had the definitive effect of insufflating these officials with optimism: At Calle Silva, much is being made of the fact that in places where before there had existed virtually no provincial groupings, no members and even less voters, there is now one of the most flourishing of AP organizations, almost like that of Galicia.

The understandable euphoria brought about by the Andalusian elections is giving rise to all kinds of hopes. "It will be difficult but still within the realm of rationality, for the coalition to attain a simple majority," says the secretary of the electoral committee, Javier Carabias. Factoring in the votes to be contributed by the Herrero de Minon and Alzaga constituencies, plus those to be tapped from the "uncommitted vote," Fraga's people expect to garner some 36 percent of the total votes cast, or a total of 160 Cortes seats. Too optimistic an outlook? "All it takes is time and money," says Carabias. The available time between now and elections is unpredictable. But as regards money, there is "absolute guarantee" there will be what it takes, though it be those 3 billion pesetas representing the potential cost of the ideal electoral campaign that has already begun to take shape.

PESSIMISTIC VIEWS EXPRESSED ON UCD'S CHANCES OF SURVIVAL

Madrid EL PAIS in Spanish 8 Jul 82 p 8

[Editorial: "Requiem for a Party"]

[Text] The seemingly almost inevitable breakup of the Democratic Center Union is one of the worst pieces of news which could have been received in this hot summer of 1982. Ostensibly because of the centrist crisis, the bogey of the "power vacuum" and the specter of "administrative government" are again being raised by those who would like to put an end to democracy and who are working for the destruction of the parliamentary monarchy. In addition, the possible presence of three, four or five parties on the center-right or simply the right in the coming elections would condemn some of those rival groups to the status of almost extra-parliamentary forces. In this way, leaving aside the Catalanian and Basque nationalists, the election scene could be overwhelmingly occupied by the PSOE [Spanish Socialist Workers Party] and be polarized—it is not yet possible to say to what extent--on the right by Fraga, in whose coalition sincere democratic conservatives will have to coexist with those who have one foot in the democratic system and the other in reactionary strategies.

The temptation to blame the centrist debacle on the personal stubbornness of Adolfo Suarez does not stand up to superficial analysis. The contradictory statements directed by the government to the former president in recent months, sometimes throwing him to the wolves in violent campaigns of insults and other times hailing him as the charismatic savior of the party, are the political equivalent of the water torture and Pavlov's experiments to drive guinea pigs mad by alternating opposing stimuli. The assertion that the appeals to Suarez were a sign of government "generosity" instead of a symptom of the "need" for votes which his person can still probably secure, independently of whether this may be pleasing or not to the government, is a good example of what we are saying.

It is plain that Calvo Sotelo and Lavilla have not wished to pay the price demanded by Suarez for accepting the establishment of the "trilateral," a price which can be defined in a few words as the determination of who gets to make up the lists of UCD [Democratic Center Union] candidates in the coming elections. Perhaps the ultimate key to this is to be found in those corridors

of power where the "barons" and chiefs still scheme, the ones who want to retain their posts in the Cabinet and in public life, no matter what price Spanish society may have to pay for it.

The role of Leopoldo Calvo Sotelo in this story could not be a sadder one. He has come to realize, in July 1982, that the battle which he embarked upon in the fall of 1981 to land the presidency of the UCD and from there to go on to that of the government, was not worth the trouble, and on the contrary would contribute to laying the foundation for the destruction of the center. How could he organize the dumping of the previous UCD president and the secretary general, and some months later throw in the towel in this way. Don't call it generosity. Calvo Sotelo went after the presidency of the UCD because he supposed that with complete power in his hands he would be able to patch up the cracks in the party. Instead call it proven lack of ability and the responsibility which the president took on with his decisions. Now, although he has not yielded the leadership of the party to Adolfo Suarez, whose aspirations to occupy it were at least understandable in the eyes of public opinion, he seems destined to be forcibly relieved by Landelino Lavilla. So much doubt at the head of the government party is only an expression and cause of the doubt which has reigned in the government itself--which will have to be commented upon on another more appropriate occasion.

With all this, Landelino Lavilla, who was defeated in the UCD Congress almost a year and a half ago in Palma de Mallorca, is on the point of carrying off the big prize; and at a time when those who backed his failed candidacy for president of the party--Christian democrats and liberals from the "critical" sector--are fleeing to less stormy waters. It continues to be an unedifying irony that the president of the Congress of Deputies is obtaining the leadership of the UCD which the Palma assembly denied him by means of a corridor conspiracy.

As the pace of the splitting and flights of the last few months continues, the survivors of the UCD are threatening to become the inhabitants of an abandoned house, left to the cobwebs by their members and voters.

Although there is doubt about Suarez' ability to draw people along with him if he finally leaves the UCD, there is none about the fact that he would be accompanied by at least one other former president and former minister--Agustin Rodriguez Sahagun--and by a former secretary general--Rafael Calvo Ortega--if the other one--Rafael Arias Salgado--prefers to forget the photographs and statements of the UCD Congress which appointed him to the post. With this support and that which he may get from outside the Madrid "apparatus," Adolfo Suarez--founder, actual president until January 1981 and honorary president up to now of the UCD--can take on the risk of founding a new political organization. The people with social democratic leanings, with former ministers Fernandez Ordonez and Gonzalez Seara, already went into business for themselves at the end of 1981, when they founded the Democratic Action Party. Miguel Herrero, former spokesman of the Centrist Parliamentary Group, started off the long march toward Popular Alliance which other conservative deputies and senators now may expand. Oscar Alzaga and his colleagues are announcing the creation of a popular Christian party to go into

the coming general elections in alliance with Fraga. A large number of the centrist liberals are getting ready to leave on the orders of Antonio Garrigues, and perhaps will join the "big Right" pact with Popular Alliance. If in the staging of horror dramas even the prompter dies, it could come about that the tragicomedy of the break-up of the Center may end with no one but the ushers remaining on the premises. No doubt Landelino Lavilla, who is a person of a calm turn of mind, is going to think twice before accepting the offer--which is less than generous and almost poisoned--to be president of a party which appears to be doomed to become a vacant lot. But the complete burial of that plan for a democratic Right which the UCD tried to embody opens such disturbing prospects for the future that, even taking into account the almost complete impossibility of redress, it is essential to hope that good sense and prudence may take the place of the intrigues, jealousy, micropolitics and stupidity, and make possible a reasonable solution of the Centrist crisis. If the social base and the political leadership of what the UCD has represented in Spanish life are not capable of responding to the need for something like that to continue functioning among us, it could well happen that various parties with centrist ideology or using its rhetoric may cancel each other out when they go to the polls, and strengthen the polarization between Popular Alliance and the PSOE. It is not likely that the democratic Right will be able to emerge victorious from the coming elections; and it is possible instead that its transition to being the opposition would help it to reorganize itself and to set itself the goal of reform. But it is essential not to lose sight of the destabilizing nature of the regime which this whole story includes, and the importance of not resorting--with a socialist party possibly in power--to the regressive maneuvers and coup mentality of a desperate Right, but to being a strong and responsible opposition such as the socialists themselves have turned out to be.

The sideshow organized by some individuals and low types in the UCD almost borders on obscenity, and is not apt to be properly cleared up until after the general elections. It is already almost certainly impossible for the legislature to last until the new year--a thing which would have been desirable. Moreover, elections taking place in the autumn would not be early elections, as we have said on other occasions; and the Spanish voters could feel satisfied with having almost completely finished out the constitutional legislative cycle. It is essential to face up to the serious problems of the nation with a new majority and a new government as soon as the summer recess ends. And it is these problems, and not factors which are marginal to those matters, like the papal visit, which should occupy the attention of the president of the government when it comes time for setting the date for dissolution of the Chambers and calling of elections. After the crack-up of the UCD, and unless a miracle puts things back together before next Monday, general elections are the only solution. Because a party which as of now practically does not exist any more cannot continue to govern Spain.

8131

CSO: 3110/172

MADRID BUSINESSMEN THREATEN TO BOLT UCD LED BY SUAREZ

Madrid EL PAIS in Spanish 9 Jul 82 p 35

[Article by Carlos Gomez]

[Text] "I want to tell you, as president of the Madrid businessmen, that if the UCD [Democratic Center Union] goes into the elections headed by Adolfo Suarez we will not be able to support that option." Jose Antonio Segurado, vice president of the Spanish Confederation of Business Organizations (CEOE), made this reply to Rafael Termes, president of the Spanish Private Banking Association (AEB) during the course of a meeting attended by about 100 presidents of regional organizations. Rafael Termes had declared earlier that some people in the CEOE leadership were inclined to give open support to a certain party of the Right.

This topic of the employers' group and the elections was not discussed during the meeting of the executive committee which took place on Tuesday afternoon, as we mistakenly reported yesterday; but instead was brought up some hours before at a meeting attended by the president of the CEOE, three vice presidents, the secretary general of the employers' group and about 100 presidents of regional organizations.

The scenario of the events, as was detailed yesterday by the vice president of the CEOE, Jose Antonio Segurado, and its secretary general, Jose Maria Cuevas, developed as follows: after an analysis of the economic situation and a discussion of the political situation by one of those present, Rafael Termes took the floor ("I believe speaking for himself personally and not as a representative of banking", Segurado pointed out), to say first of all, according to the vice president of the CEOE, "I believe that the PSOE [Spanish Socialist Workers Party] stands for a model of society which is different from ours, and what I am saying does not disclose anything new." And he went on to add that he had very grave doubts about what system should be adopted so as to prevent the socialists from winning. "I know that my remarks do not contribute anything new..." Voices from the audience--again, according to Segurado and Cuevas--interrupted Termes, loudly agreeing with his last words: "No, they don't contribute anything."

Once this little incident or interruption was over, Termes continued his speech, asserting that they had to wait for the present crisis in the UCD to

be over, and he added--again, according to Segurado and Cuevas--that he had the impression that "certain persons among the CEOE leadership were showing a clear tendency to support a particular party."

Jose Antonio Segurado took the floor the moment Rafael Termes' speech was over, to say that "we businessmen have maintained a delicate neutrality toward the political parties, and we are prepared to keep it up, but there is no doubt that our attitude is going to depend on the programs which each party puts forth and on the people who head the various options. And addressing himself to Termes, he added: "I want to tell you, in my capacity as president of the Madrid businessmen, that if the UCD goes into the elections headed by Adolfo Suarez we would not be able to support that option."

Cuevas: 'Bipolarization Not a Bad Thing'

Jose Maria Cuevas, on his part, told this newspaper yesterday that generally "the businessmen are extremely concerned about the current political situation, and of course they do not feel at all happy about the prospect of the Left winning the next elections. "The secretary general of the CEOE does not believe that victory by the Left is inevitable, and he thinks that the business community should ask the parties to take a clear position toward the voting public, and it should call for clarity and unity from the forces which may oppose the Left in the coming elections." I do not believe that political bipolarization is harmful for democracy, as is being said.

The vice president of the CEOE, Jose Antonio Segurado, stressed his idea that the parties should explain their programs clearly, and tell the voters in advance what other political force or forces they are thinking of allying themselves with. "They should say it before, and not after the elections." He recalled the recent statements of Jose Maria Aguirre Gonzalo, president of Banesto, to the effect that right now there is a crisis of leadership in Spain. "We need a leader, and some clear rules for the game," were his words.

Earlier Segurado had appeared to be absolutely opposed to a possible socialist administration. "Where they have held power up until now, in municipalities and as deputies, they have not shown themselves to be responsible in economic management. There is the example of the administration of the Madrid Municipality, and the deficit in public transportation." Despite Segurado's continual shading of Termes' words ("I have my doubts that he spoke them in the name of the AEB") and his persistent reminders that private banking always adopts the agreements which are taken in the CEOE and its executive committee, doubts and reservations continue in the banking sector.

A qualified bank executive, hours before the conversation held with Cuevas and Segurado, stressed the fears which are being aroused in the sector by certain individuals in the employers' organization who--in his opinion--are very given to attitudes which date from before democracy and from the previous regime.

The big banks, on the other hand, still have not taken any decisions on the institutional level about the current political situation, and in any case,

in the absence of a joint decision, each of them will make an individual choice as to what party or parties they are going to support.

With regard to the latest CEOE executive committee meeting, Segurado and Cuevas minimized the importance of the economic document which was analyzed there. It is a working document, commissioned by the president of the CEOE, which passed preliminary examination by the executive committee, and which still must undergo numerous changes and much analysis before being converted into an official document and made public.

Inconsistent Policy

Both leaders recognized the importance of the document, but they emphasized that there had been no confrontations, which does not mean that none could yet arise between protectionists and supporters of the free market. There was only some criticism about the absence of an in-depth treatment of industrial topics in comparison with that which was devoted to other subjects such as fiscal and financial matters; they requested a greater balance in the document as a whole. Also, they added, a list of specific measures or proposals, which should accompany the report, is lacking.

The above mentioned report issued by the employers, according to statements made by the CEOE to Efe, asserts that the economic policy carried out by the government over the last 12 months "is sporadic and inconsistent." As for the differences at the time this document was analyzed, sources in the employers' organization assured the agency that the differences were to be expected in a group which must discuss a topic with the importance of this economic report at a time of crisis.

8131

CSO: 3110/172

POLL INDICATES SDP COULD FORM GOVERNMENT WITH AID OF VPK

Election Will Be Close

Stockholm DAGENS NYHETER in Swedish 8 Jul 82 p 2

[Commentary by N.E.S.]

[Text] A not uninteresting question for this summer is how the election will turn out. The Foundation for Public Opinion Analysis has come out with the first election forecast. It is based on a survey of just over 2,000 persons--twice as many as SIFO [Swedish Institute for Public Opinion Polls] and the IMU [Institute for Market Research] use in their surveys. The result is not surprising: the Social Democratic Labor Party [SAP] is up about 3 percentage points since the 1979 election, and combined with the VPK [Left Party-Communists], it constitutes a slim majority. A policy of playing on discontent and making promises obviously pays off, as the other parties have already learned.

The forecast assumes that public opinion moves very sluggishly. But this in turn assumes that the nonsocialist parties will not succeed during the election campaign in making it clear that the point of the election is actually whether or not Sweden will embrace fund socialism. If the nonsocialists can make that essential social question the key issue in the election, they may also prove the forecast wrong. Because according to a long series of public opinion surveys, only between 25 and 30 percent of the voters want the SAP's wage earner funds.

The only truly certain uncertainty in the forecast concerns the VPK. That party is expected to get 4.1 percent of the vote, thus falling completely within the margin of error. If the VPK gets less than 4 percent, it will be excluded from Parliament. And the Social Democrats will then have no majority of their own. The 4-percent barrier acts as a trapdoor for the socialist majority.

The question of the majority will perhaps be decided by the fight between the VPK and the Environment Party. The 2.7 percent assigned to the Environment Party in the forecast is due perhaps to the fact that the survey was conducted in April and May.

Another uncertainty results from the fact that about 30 percent of the first-time voters did not state an opinion in the survey.

The only thing one knows about the election outcome with complete certainty is that the bloc that does win will have a very slim majority--far below the 75 percent of the vote that would perhaps be needed to support an effective rehabilitation of the Swedish economy. And so far the election campaign has been steering politics completely away from the kind of agreement which, while not sufficient in itself, is at least a necessary condition for a rational economic policy. It is an unfortunate thing to see.

Environment Party Below Threshold

Stockholm DAGENS NYHETER in Swedish 8 Jul 82 p 7

[Article by Sven Svensson]

[Text] The Social Democrats will win the election this fall, and Olof Palme will be able to form a new government. That is predicted by the Foundation for Public Opinion Analysis in the first election forecast to appear before the September election. The Social Democrats are up from 43 to 46 percent. The Center Party is facing another election disaster, having fallen from 18 to 11 percent, while the Conservatives are up from 20 to 27 percent.

Among the small parties, the VPK will stay in Parliament, but only by the skin of its teeth. The election forecast gives the VPK 4.1 percent.

On the other hand, the other small parties will not enter Parliament. According to the foundation's forecast, the new Environment Party will get 2.7 percent, and the Christian Democratic Party (KDS) will remain at 1.3 percent.

The forecast says that the situation between the blocs will be as follows: 50.4 percent for the socialist parties and 45.2 percent for the three nonsocialist parties. The gap will therefore amount to 5.2 percent.

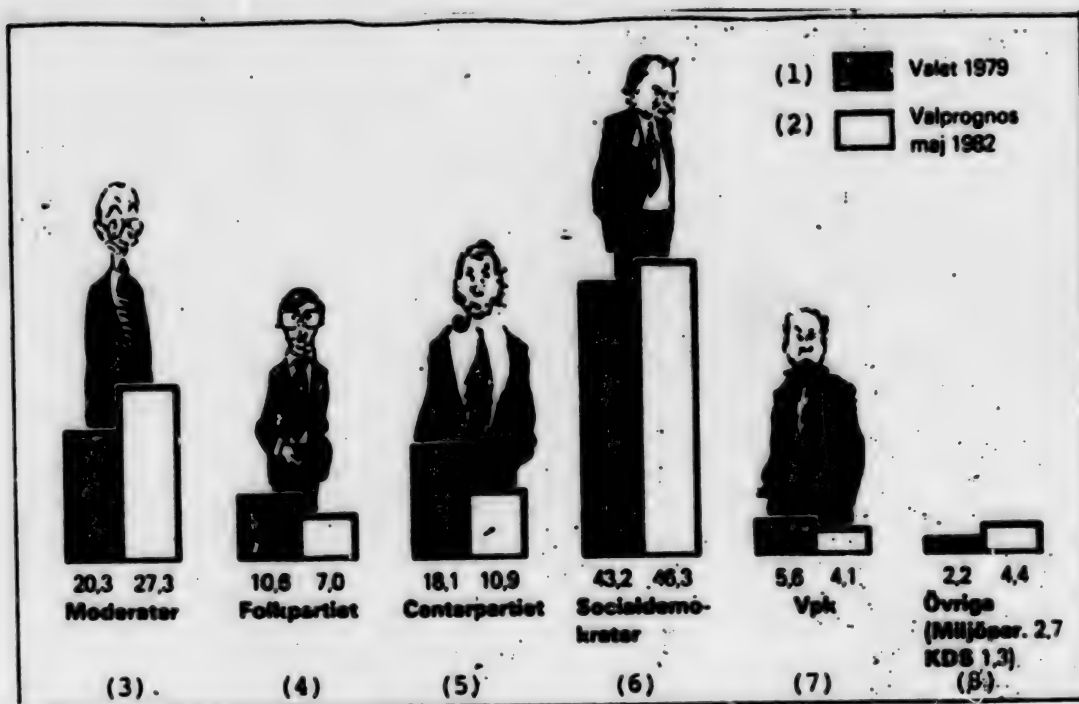
The margin by which the VPK will enter Parliament is extraordinarily narrow, however. The situation will change, says the foundation, if the VPK drops by a few tenths of a percent and winds up below the 4-percent threshold.

The margin of error in the election forecast is given as 2.5 percent for the largest party--the Social Democrats--and as less for the smaller parties.

The margin of error is smaller than in comparisons between two ordinary voter barometers, each of which has its own margin of error of between 2 and 3 percent.

The election forecast shows the following results:

	<u>Forecast</u>	<u>1979 election</u>	<u>Change</u>
Conservatives	27.3	20.3	+7.0
Liberal Party	7.0	10.6	-3.6
Center Party	10.9	18.1	-7.2
Social Democrats	46.3	43.2	+3.1
VPK	4.1	5.6	-1.5
Other parties	4.4	2.1	+2.3



According to the election forecast, the socialist bloc will get 50.4 percent of the vote in this fall's election. The three nonsocialist parties will get 45.2 percent. The Environment Party will not win a seat in Parliament, while the VPK will stay on, but just barely.

Key:

- | | |
|--------------------------------|---|
| 1. 1979 election | 5. Center Party |
| 2. Election forecast, May 1982 | 6. Social Democrats |
| 3. Conservatives | 7. VPK |
| 4. Liberal Party | 8. Other parties (Environment Party: 2.7%; KDS: 1.3%) |

All Ages

The survey included 2,168 voters of all ages scattered all over the country in the same proportions as the population as a whole. The field interviews were centered around the end of April and the beginning of May.

The Foundation for Public Opinion Analysis feels that it is possible to come up with a perfectly adequate election forecast in the spring concerning a parliamentary election being held that fall. The reason is that public opinion

changes slowly. Election propaganda may certainly intensify during the final stages of the campaign, but its arguments and character are not likely to change.

The Foundation for Public Opinion Analysis conducted a similar survey before the 1979 election, and its forecast then was off by only 1.8 percent at the most.

In the 1979 election, the foundation gave the three nonsocialist parties 50.3 percent of the vote, compared to 47.7 percent for the socialist parties. The election turned out to be a narrow nonsocialist victory (49.0 percent, compared to 48.8 percent for the socialist parties). The foundation says that the socialist parties together picked up 1.2 percent during the final days of the campaign.

Weak Position

As the 1982 election approaches, the nonsocialist parties are getting the worst of it by 5.2 percent. The foundation therefore believes firmly that there will be a socialist victory, but it cannot guarantee that the VPK will clear the 4-percent hurdle, although its figure is more likely to increase than decrease.

The election outcome will be the result chiefly of switches between parties since 1979. The foundation feels that such switches between parties are unusually complicated this time.

The flow has run mainly from the Liberal and Center Parties toward the Conservatives and from the VPK toward the Social Democrats.

The gains and losses have been distributed primarily as follows:

The Conservatives have won new supporters from the Liberal Party (11 percent), the Center Party (14 percent), and the Social Democrats (4 percent). The Conservative Party's greatest losses were to the Social Democrats (5 percent).

The Liberal Party has picked up supporters from the Center Party and the Social Democrats (19 and 6 percent respectively). Its losses were to the Conservatives (29 percent) and the Social Democrats (16 percent).

The Center Party shows losses to the Conservatives (21 percent) and to the Liberal, Environment, and Social Democratic Labor Parties (ranging between 8 and 9 percent).

The Social Democrats have picked up between 2 and 3 percent from the VPK, the Liberal Party, the Center Party, and the Conservatives.

Increased Interest

According to the election forecast, first-time voters will vote as follows: 31 percent for the Social Democrats, 21 percent for the Conservatives, 6 percent for the VPK, 3 percent for the Environment Party, 2 percent for the Center

Party, 1 percent for the Liberal Party, and 1 percent for the other parties. On the other hand, 14 percent do not know, 14 percent declined to answer, and 8 percent do not intend to vote.

Interest in the election debate is growing as the election date draws nearer. The interest this year seems to be somewhat greater than before the 1979 election, says the foundation. This is how the voters rank the various media as channels for making election information available:

1. Periodicals published by the political associations: 53 percent of their readers are very interested.
2. and 3. The union newspaper and articles in the daily press: 49 and 48 percent.
4. Editorials in the daily press: 46 percent.
5. through 7. Political debates on TV, the questioning of politicians by TV reporters, and TV broadcasts from Parliament: 43 percent each.
8. Mail campaigns by the parties: 42 percent.
9. Questioning of politicians on radio: 38 percent.

Poll Was Accurate Predictor in 1979

Stockholm DAGENS NYHETER in Swedish 8 Jul 82 p 7

[Text] The prediction by the Foundation for Public Opinion Analysis concerning the 1979 election turned out like this:

	<u>Forecast</u>	<u>Election</u>	<u>Change</u>
Conservatives	18.9	20.3	+1.4
Liberal Party	12.4	10.6	-1.8
Center Party	19.0	18.1	-0.9
Social Democrats	42.6	43.2	+0.6
VPK	5.0	5.6	+0.6
Other parties	2.1	2.1	-

According to the election forecast, the three nonsocialist parties would get 50.3 percent of the vote, compared to 47.6 percent for the Social Democrats and the VPK combined. In the actual election, the result was a narrow victory for the nonsocialists (49.0 percent compared to 48.8 percent for the socialist parties).

This is the fourth year in a row that the Foundation for Public Opinion Analysis has conducted its surveys on voter behavior and voter reactions.

The surveys are financed chiefly by grants from the Bank of Sweden Tercentenary Foundation, but the parties represented in Parliament (with the exception of

the VPK) and the Environment Party have also participated in the financing. Certain organizations and firms also support the surveys.

Voters' Image of Liberal Party Examined

Stockholm DAGENS NYHETER in Swedish 8 Jul 82 p 7

[Article by Sven Svensson]

[Text] The Liberal Party has strengthened its image on a number of issues since the 1979 election.

That is shown by an analysis of the strong and weak points of the various parties as the 1982 election approaches. Sexual equality and foreign policy have reached the top as the foremost issues in the Liberal Party.

The Foundation for Public Opinion Analysis selected 25 of the most important issues in the election debate and tried to evaluate how much support the parties have among their own voters for their particular views. Issues on which the parties have the backing of less than 60 percent of their supporters are regarded as controversial.

The table below shows that the Conservatives have at least 60 percent of their supporters behind them on the issues of inflation, school discipline and grades, taxes, employers payroll taxes, bureaucracy, the wage earner funds, and government spending.

The Liberal Party is supported by its own voters on the issues of sexual equality, foreign policy, unemployment, worker participation in management, wages, and marginal taxes.

The Center Party is supported in its desire to phase out nuclear power and on energy issues, protection of the environment, sickness benefits, and food prices.

Tax Violations

The Social Democratic Labor Party's voters support its policy on unemployment, pensions, sickness benefits, wages, inflation, worker participation in management, taxes, the wage earner funds, economic leveling, employers payroll taxes, housing costs and food prices, foreign policy, and government spending.

The VPK is supported in its demands on economic leveling, defense costs, measures against tax violations, food prices and housing costs, taxes, the phasing out of nuclear power, wages, unemployment, pensions, worker participation in management, sexual equality, sickness benefits, energy, and protection of the environment.

Only one Conservative out of four approves of his party's stand on environmental pollution, and only one out of three approves of its policy on sexual equality.

	1982 (%)				
	Con- serva- tives	Lib- eral Party	Center Party	Soc. Demo- crats	VPK
My own party has the best ideas on:					
Measures against tax violations	43	44	51	59	74
Inflation	80	56	60	75	64
Environmental pollution	24	27	67	38	60
School discipline	78	39	38	39	45
Marginal taxes	85	61	58	68	66
Food prices	42	31	59	67	73
Temperance	42	44	50	40	38
Bureaucracy	65	53	47	38	50
Taxes	78	63	54	71	69
Equality between the sexes	33	70	41	57	63
Unemployment	49	54	54	83	66
Comprehensive school grades	76	35	40	42	50
Economic leveling	37	51	48	67	78
Wages	58	63	58	78	68
Nuclear power	54	38	78	55	72
Housing costs	50	54	53	67	71
Wage earner funds	71	50	40	71	49
Pensions	46	52	56	80	62
Worker participation in management	44	63	46	73	63
Defense costs	55	52	49	56	77
Employers payroll taxes	78	58	51	67	57
Government spending	73	50	49	61	51
Higher education	68	49	34	52	43
Future energy supplies	57	45	77	59	61
Measures against violence	68	56	40	43	48
Foreign policy	59	66	52	67	43
Sickness benefits	57	51	63	80	61

The table shows how the voters feel about the way the party they vote for acts on various political issues. Issues on which the parties have less than 60-percent backing are regarded as controversial.

One out of every four Liberal Party voters approves of that party's policy on environmental protection, and one out of three approves of the policy on grades in the comprehensive schools, nuclear power, and school discipline. The Center Party has poor support for its policy on higher education and school discipline.

The least popular Social Democratic policies are those on environmental pollution, bureaucracy, and school discipline. The VPK's least popular policies are its temperance policy and its policy on higher education.

Turnabout for Liberal Party

The most remarkable change since 1979 affects the Liberal Party. The foundation has conducted four different surveys, and in none of the first three--1979, 1980,

or 1981--did the Liberal Party achieve 60 percent on any of the 25 most important issues.

Ullsten is now emerging on 6 of the 25 most important issues, including foreign policy, for which he personally has top responsibility.

The figures are also up in connection with economic policy, bureaucracy, housing costs, the wage earner funds, defense costs, and pensions.

Among the supporters of the Environment Party and the KDS, many are not sure where their parties stand on the various issues. The number of uncertain members usually varies between 40 and 60 percent. In the case of the Environment Party, answers of "I don't know" are usually given in response to only six or seven of the most important political issues. This applies in particular to protection of the natural environment and future energy supplies. The KDS shows a normal number of uncertain voters only on two issues: temperance and environmental protection.

VPK May Tip Scales in Election

Stockholm DAGENS NYHETER in Swedish 10 Jul 82 p 9

[Commentary by Sven Svensson]

[Text] The key issue in this fall's election campaign will obviously be whether or not the Left Party-Communists manage to stay in Parliament. The Foundation for Public Opinion Analysis gives the VPK 4.1 percent of the election result, and that is right on the borderline of the percentage required for representation in Parliament.

But the election forecast is concerned with the distribution of votes among the individual parties, not the relative position of the blocs.

The fact is, however, that the relative position of the two blocs has in practice become the key issue in Swedish politics. All elections to the unicameral Parliament have turned on the government issue, which in turn has been decided by the relative position of the blocs.

In such a situation, the VPK's share of the vote becomes a matter of quite exceptional importance to the election outcome and the formation of a government. A few tenths of a percentage point up or down for the VPK becomes a sort of key issue, and that is not the way it ought to be in an election.

Conceivable

According to the election forecast, only 1.1 percent stands between the Social Democrats and the three nonsocialist parties: 46.3 percent for the Social Democrats and 45.2 percent for the nonsocialist parties.

If we assume that the election is going to turn out exactly as the forecast predicts, the Social Democrats will have their own majority in Parliament and

be able to rule alone above the three nonsocialist parties. The majority may well be a matter of from three to five seats in Parliament.

The other conceivable situation would be for the three nonsocialist parties to improve their election results by at least 0.6 percent at the expense of the Social Democrats. That change is easily within the statistical margin of error of 2.5 percent.

If that happens, the outcome of the election will be that the three nonsocialist parties will stay in power with perhaps a majority of one seat, as now, that the Social Democrats will remain in the opposition, and that the VPK will be excluded from Parliament, at least until the next election.

Politically, however, it is more probable that the VPK's election result will be two or three percentage points higher instead of lower.

"Comrade four percent" usually does its duty in such circumstances. If the VPK is in danger of being excluded from Parliament, a number of voters are usually willing to support the VPK to insure that the party gets a seat in Parliament. This applies both to the Social Democrats and to the supporters of small leftwing parties such as the SKP [Swedish Communist Party] and the APK [Workers Communist Party].

And this year there is also a new factor. The Environment Party's sympathizers (totaling 2.7 percent) presumably include several voters who supported the VPK in the 1979 election.

If it appears improbable, on the one hand, that the Environment Party will win a seat in Parliament and seems likely, on the other, that the VPK is in danger of being excluded, this will provide a good starting point for the VPK. The Environment Party will become a hidden reserve for the VPK.

The Foundation for Public Opinion Analysis tries to show in its election forecast that voter opinion is slow moving and that the election result can therefore be predicted at an early stage within a certain margin of error.

The real switches between parties generally occur soon after the preceding election. Shifts during the election campaign itself, on the other hand, are quite small as a rule.

In general, around 15 percent of the voters make up their minds during the final week before the election, but that figure has been climbing since the 1970's.

The distribution of voters who decide at the last minute usually does not differ to any conspicuous degree from the general distribution among the parties. Only totally unique events during an election campaign's final phase can alter the relationship of forces.

That is what happened in 1968, for example, when the Soviet Union marched into Czechoslovakia, and the Social Democrats got over 50 percent of the vote for

the first time in years. It could also be that the old king's death and the tragedy in Norrmalm Square saved Olof Palme in the 1973 election.

Confused Situation

It is very probable that uncertainty among the voters is greater this year than previously. Certain circumstances point in that direction. After 6 years in the government, discouragement has spread in the nonsocialist camp. That discontent may lead to more abstentions among the nonsocialist voters and perhaps also to last-minute shifts to another party by individual voters.

The Environment Party's appearance in the political arena is helping to further confuse things in an election in which a few tenths of a percent may decide the issue. It seems inescapable that at least 2 or 3 percent of the Environment Party's sympathizers are former nonsocialist voters.

Those voters have a few agonizing weeks ahead of them in which they will have to decide whether to contribute indirectly to Palme's election victory, vote for the Environment Party, or go back to the same old nonsocialist fold.

VPK's Vice Chairman Marklund on Poll

Stockholm DAGENS NYHETER in Swedish 10 Jul 82 p 9

[Report on interview with Eivor Marklund, VPK vice chairman, by Kaa Eneberg; date and place not specified]

[Text] "There is not the slightest doubt within the party that we will clear the 4-percent hurdle and remain in Parliament after the election." That is what Eivor Marklund, the VPK's vice chairman, has told DAGENS NYHETER.

Veteran Eivor Marklund, who herself is leaving Parliament to go into local politics, reminded us that the Left Party-Communists have come through much tougher times.

One time was after the Russian invasion of Czechoslovakia in 1968, when the party dropped to a few percentage points. There was no 4-percent rule then, as there is now, and the VPK group in the old bicameral Parliament was limited to four members. Eivor Marklund was one of them.

"But it is clear that we face objective difficulties in a situation in which the government issue itself is being made an election issue. Since we ourselves naturally cannot offer an alternative for government, we are in a tight corner in this election campaign."

"We Are Needed"

Eivor Marklund went on: "But we are needed in Parliament--with a good bit more than 4 percent of the voters behind us--so that the Social Democrats will be able to form a government."

Eivor Marklund bases her optimism--and what she guarantees is the party's optimism as well--concerning the election campaign on "the good feeling out in the districts."

Eivor Marklund says that the election campaign is an important instrument not only for engaging in propaganda but also for conveying important information.

"For example, we should make it known that the wage earner funds, which the nonsocialists are currently agitating against, are a step toward more equal economic distribution in society. But one does not achieve socialism through wage earner funds!"

Different Goals

Eivor Marklund does not believe in the theory that the party is losing voters to the newly formed Environment Party.

She says: "We haven't seen very much of them, and even though they may be working for issues that we also care about, it should be remembered that the transformation of society is not one of their goals."

"In the last election, the VPK got 5.6 percent of the vote. Today the election forecasts are predicting a little over 4 percent."

Eivor Marklund hardly believes it will be possible to equal the results of the last election.

"But we will get a good bit over 4 percent." Eivor Marklund says she personally does not believe that the events in Poland have influenced support for the party.

11798

CSO: 3109/199

BRIEFS

FIRE DAMAGES LARGEST WARSHIP--Copenhagen--The control systems on board Denmark's largest warship suffered serious damage by a fire, ascribed to a short circuit, on Wednesday morning [14 July]. The fire on board the frigate Herluf Trolle, which is at present undergoing a major service at Holmen naval dockyard, began at 0315 hours and was put out almost 4 hours later. The dockyard's own fire brigade and the Copenhagen fire brigade succeeded in limiting the fire to where it had started--the special control room situated about the engine room itself. On Wednesday morning it was immediately possible to note serious damage to a large web of cables, but it was impossible to form a full view of the damage since the area was still too hot. The short circuit theory has been put forward because the ship still had all its electrical systems in operation, even though it was in dry dock, since a so-called safety inspection was taking place. The Herluf Trolle and its sister ship Peder Skram are the navy's largest ships. The Herluf Trolle was undergoing the major inspection which naval vessels are given every 5 years. [Excerpt] [PM191211 Copenhagen AKTUELT in Danish 15 Jul 82 p 24]

CSO: 3106/145

ARMY'S SIGNAL UNITS, PURPOSES DESCRIBED

First Army Corps Network

Paris TAM in French 13-19 May 82 p 16

[Article by J.-P. Coppin: "Epinal: The Image of Tomorrow"]

[Text] The 18th RT [Signal Regiment], with a strength of 1,560 persons, nearly 1,200 of whom are enlisted men, has the essential mission, in collaboration with the 54th RT and the 57th RT, stationed at Nancy and Mulhouse, of omnidirectional communications for the 1st Army Corps. For this task, the importance of which has been demonstrated by history, the 18th RT has conventional equipment along with a new generation on which experimentation is being concluded, the Rita system. But before going into detail, we let Sergeant Michon, who has prepared the regiment's audiovisual facilities used for presentations, talk to us about the 18th: "The regiment, which came out of the 48th Signal-Sapper Battalion--one of the oldest signals units, having been created in 1923--has been stationed at Epinal and Rambervillers since 1977. Today, we are beginning operational apprenticeship on the Rita system, with reception of some new antennas."

A Spiderweb

This regiment's role is to create a network, as dense and as reliable as possible, of means of communication among all the elements of the Army Corps. To do this, the 18th RT has four operational companies, in addition to a command and services company and a training unit. In parallel, a supplementary company is responsible for the experimentation with the Rita system.

"Signals," explains Sergeant-Major Fillion, "are a little like the PTT [Posts, Telephone and Telegraph Administration], but in khaki. As long as everything works, our 'customers' don't try to find out why or how. And for us soldiers, it has to work all the time. To achieve this, we create a complex network on the ground, composed of nodal centers, basic units, that carry the communications. Any unit, wherever it may be on the ground, can hook into it. If one of the centers is destroyed, the information goes through another one, and so on." These basic units are connected to multiplex trucks (which are like telephone exchanges). Information thus passes from the command to the doers.

The Rita system will computerize this spiderweb and will choose, by computer, the most appropriate connection circuits. Lieutenant Aubert, chief of a nodal center, has an image: "If radio waves are somewhat like railways, then the multiplex units are like manual marshaling yards. The Rita system is a marshaling computer. Moreover, electronically, the network acquires greater reliability and inviolability."

Realistic Maneuvers

The exercises in the field are characterized by the "as in case of war" aspect of all the manipulations. The expensive equipment (Fr 350 million) is the real operational thing. Therefore, the draftees who serve it all have responsibilities. They are cryptoregulators, radio operators, assemblers, etc. Each holds a thread indispensable for the weaving of the spiderweb. "The operational combat results depend on it," as it is explained to us by Corporal Larriere, who, since his enlistment last December, has experienced the sustained cadence of the maneuvers: the men of the regiment spend an average of 100 days a year in the field.

Sometimes difficult living conditions, and fatigue too--but the personnel of the 18th RT as a whole have a legitimate and twofold pride: that of belonging to a unit with tradition, one that goes back to the infancy of signalling, and to a modern unit that presently has the most recent equipment to go into service.

Senders, Receivers at Lieramont

Paris TAM in French 13-19 May 82 p 17

[Article by Officer Cadet Ph. Caboche]

[Text] From a distance they [RA (Air Force System) 70] somewhat resemble two derricks. Planted solidly at an altitude of 152 meters, on a little hill, they dominate the broad plains in the neighborhood of Cambrai. Oil? High-voltage line? No. Simply radio links. Not so simple as that, though. While these two pylons are indeed the most striking part of the whole, the entire mission of the Lieramont radio station is carried out in the technical building that houses the transmitters and receivers. The complexity of the equipment makes the uninformed visitor's head spin: reliability and automation seem to be the motto of this profusion of electronics.

A Node in the RA 70

First of all, we should place the station in its military context. Since 1970, the Air Force has had a modern radio network that links the bases with one another 24 hours a day and provides for the sending of telephonic and telegraphic messages. The RA 70, adopting the principle of links, comprises in each Air Region a number of control stations (the "nodes") and others called secondary (the "terminals"). Each main station is connected with two or three of its counterparts by radio beams and serves the surrounding secondary stations by the same circuit. The control station of Lieramont, called a "plains" station,

is one of the four main stations of the 2nd Air Region (total of 23 for the network). It serves the Cambrai base, on which it depends for the personnel's needs (mess, medical care, discipline, etc).

Routing the Messages

In peacetime, Lieramont's mission is to provide all the telephone, telegraph, remote-display and data-transmission links between the North (Cambrai), the South and the East. Isolated in the middle of the countryside, the installations as a whole are run by 10 noncommissioned officer, all specialists in signaling. They have been trained at Rochefort as radio mechanics, and their activities consist in maintaining the liaison equipment at operational level (prevention, emergency repairs) and in monitoring the Cambrai and Lucheux stations. They take part in the "signaling maneuvers" and fill the regional communications needs. A check of the equipment (logging, calibration) is done by these specialists every day, supplemented by maintenance operations every 5 weeks. "We have to be capable of sending and receiving 24 hours a day," Sergeant Besin explains. This requires us to care for the equipment regularly and to keep watch on it continuously, day and night, including weekends. Everything happens automatically. The signals received by our antennas are demodulated and analyzed. Then they are remodulated to be sent to Cambrai or Lucheux, which come under us, or are directed to another control station where the same procedures are done. Lieramont is in fact a veritable routing station."

The isolation, a surveillance role--these are condition that could engender problems within this team. Yet morale remains excellent. "Problems? Yes, of course, we experience them sometimes; that is only human. But everyone puts his heart into it, and the atmosphere is very good here, almost like a family!"

Villacoublay Signals Center

Paris TAM in French 13-19 May 82 p 18

[Article by Christian Domergue: "Villacoublay, Bonjour"]

[Text] As on all air bases, the STB [Basic Signaling Section] of Villacoublay is continually activated, but it differs from the conventional STB's by the presence of four major commands. Thus, the missions for which it is responsible have led to the definition of two divisions within the unit: one is occupied with signaling operations as such, and the other centralizes all the technical tasks.

A Thousand Message Transmissions per Day

Airman Conte of unit 81/10 come from the Paris region and is a teletypist. "I took my basic courses on the base. Next, like all my fellow draftees who work here, I did a 6-week training course in Dijon to learn to type on the machine and to learn the Air Force's signaling." Some 20 draftee airmen and 9 cadres perform the teletype station's mission. "The hours are advantageous. We work half a day at a time," Airman Lexaux tells us. "With such a time schedule, I can continue with my courses at the university."

Each base has several telegraph terminals for sending and receiving messages. The Villacoublay base has an average of 1,000 message transmissions per day.

Drained

"Through an Automatic Digital-Data Relay (RAID) we receive messages that have to be registered and forwarded to their recipients in accordance with time schedules and priorities," Airman Dupuis explains. "It is interesting work, we follow the life on the base. For example, for a COTAM [Military Air-Transport Command] flight, we know the number of passengers, what has to be provided on board, the various stops, etc." At this level, the tasks assigned to the draftee airmen are positions of confidence.

In the message-regulation office, Airman Chatin, of unit 81/12, eyes fixed on his message-distribution concentrator, tells us: "The traffic is considerable. We are busy all day. This work demands a lot of attention and precision. One cannot permit the least error. Thus I am drained some evenings, like my switchboard-operator colleagues."

No Lulls in the Central Telephone Exchange

The central telephone exchange, under the responsibility of Chief Warrant Officer Le Dall, provides continuously for the internal and external telephone communications for the users of the air base and of the big commands stationed at Villacoublay. It also serves as an exchange for relays between the air bases and the central exchanges of the Army and the Navy. Two noncommissioned officers and some 20 draftee airmen carry out this task.

"During the day, I say 'Villacoublay, Bonjour' hundreds of times," says Airman Carmignac; "at the switchboard, one has to know how to adapt to the humor of the people calling. Some do not express themselves clearly. One must not be afraid to ask questions or, especially, of understanding quickly!" With 1,200 users, the task might seem tedious, but the handling of the equipment poses no problem.

"The operation is completely automated. There are no wires. We touch only buttons," declares Airman Bulteau; "it is lively and pleasant work. One is never alone. We have permanent contact with our users' voices." The work schedule--24 hours on duty, followed by 2 days off--is satisfying to many draftees from the Paris region. "The recovery period is necessary. At the switchboard, there are never any lulls, and the constant nervous tension tires one out." Captain Giordan, chief of the STB, adds: "I teach my draftees that the brand image of an air base often begins with the welcome and efficiency of its central telephone exchange."

* [no footnote reference in text] General Staff of the 2nd Air Region. General Staff of the Military Air-Transport Command. General Staff of the Air Force Signal Command. General Staff of the Air Force Engineers Command.

Mission of 54th Signals Regiment

Paris TAM in French 13-19 May 82 p 19

[Article by Ph. Caboche: "Name: 54 RT (Signals Regiment)--Stop. Garrison: Nancy--Stop"]

[Text] This regiment's mission is to provide the radio connections in the field between the CP's [Command Posts] of the 1st Army Corps and the divisions. The telephone and telegraph links and the connection to the Ritter network thus depend on the knowhow of the men of the 54th.

Listening In at Any Cost

"A little more! Easy! Stop, that's good!" The last truck has just squeezed into the little space allotted to it. Perfect alignment, to the millimeter. Two ranks of six Berliets, positioned back to back, form the skeleton of the "platform." Lieutenant Perinaud explains: "The platform constitutes the signaling-operations center. The messages from the CP arrive here and are distributed to their destination."

This installation is in fact the heart of an army corps' radio-signaling system. In the field, the forward CP must be capable at all times of corresponding with its major units, whether in position or in movement. This is the role of the linked network. The first of the six companies of the 54th RT has the mission of setting up the Signaling-Operations Center (CET), a vital component of the network that comprises the nodal centers (CN) and the technical connection centers (CTR).

Organization Well Broken-In

"On the spot, we work in collaboration with the 18th and 57th RT's. All messages circulating between the forward CP and the units of the 1st Army Corps pass through one of these operations centers." Lieutenant Perinaud continues: "This collaboration enables us to do our 'seesaws'* without problems: during our movements, there is always an operational center. Our role is to choose the mode for forwarding the message, then to see that it arrives at its addressee: the 'subscriber'. The liaisons are established manually in accordance with an initial organizational chart, then everything happens automatically. The only thing left for us to do is to check the quality of the circuits during the maneuver." On the platform, there is great agitation. In 48 hours, nearly 800 messages may be sent. Thierry Bury, cryptotelegraphist, is leaning over his machine. In this cabin, I am in direct connection with the CP of a division. The messages come to me in punched-tape form. The information that this tape contains is read, coded by the Myosotis system (making confidentiality and defense secrecy possible), then sent to the multiplexer, our 'central telephone exchange'. Finally, it is sent by microwave links to the appropriate nodal center, which routes it to the subscriber."

* This refers to the splitting of a CP in the field: one part of the CP remains active while the other part moves to a new position. When it arrives there, it is activated in turn while the other part is joining it.

No Communications "Blanks"

In the field, putting such a network into action, sometimes under difficult conditions, requires experience and speed. The young draftees, who make up most of the regiment, acquire this efficiency in the course of numerous exercises. "These are the most interesting times for us," says Pascal Baticle (81/10); "during these sorties, we have to apply the concepts learned in the classroom. Here we don't fire any 'blanks'! The liaisons are real and have to be good." In signaling, indeed, the results are immediate: the subscriber has to be hooked into the network. This particular fact puts a signals regiment under the operational conditions encountered in time of conflict. "The draftees generally have no signals experience," explains Lieutenant Daout, section chief in the 3rd Company. "They are therefore trained on the job. The best are given responsibility for a cabin and are thus motivated by what they are doing."

The Personnel of the 54th RT:

- 50 officers, including 10 cadets;
- 230 noncommissioned officers, including 30 draftee sergeants;
- 750 soldiers of the lower ranks, including 40 regular-army enlisted men.

The Materiel

- More than 300 vehicles (cross-country, tactical);
- radio equipment (FH), Ariane;
- forward FH, light FH;
- high-power and medium-power radio-teleprinters;
- telephone central exchanges.

Between now and March 1983, the regiment will be equipped with new modular microwave links equipment and the Rita system.

Composition of 10th Armored Division

Paris TAM in French 13-19 May 82 p 5

[Text] The 10th Armored Division (DB), whose command post was at Reims, was merged on 1 August 1977 with the 63rd Territorial Military Division (DMT), whose CP was at Chalons.

The 10th DB/63rd DMT at Chalons-sur-Marne

The 10th Armored Division is composed of:

- one division reconnaissance squadron;
- two mechanized regiments:
 - the 1st Tank-Destroyer Group
 - the 150th Infantry Regiment

--two tank regiments:

- the 4th Regiment of Dragoons
- the 503rd Combat-Tank Regiment

--one artillery regiment:

- the 40th Artillery Regiment

--one engineering regiment:

- the 3rd Engineering Regiment

--one command and support regiment:

- the 10th Command and Support Regiment.

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